

JPRS-LAM-85-087

11 October 1985

# Latin America Report



FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

11 October 1985

## LATIN AMERICA REPORT

## CONTENTS

## ARGENTINA

Vice President Martinez on Military, Political Issues (Victor Martinez Interview; COSAS, 11 Jul 85).....	1
Peronist Deputy Imbelloni Discusses Justicialist Infighting (Norberto Imbelloni Interview; LA SEMANA, 8 Aug 85).....	7
Civilian, Military Attitudes Toward Compulsory Service (Amadeo Lukas; CLARIN, 16 Aug 85).....	12
Provincial Police Intensify Efforts Against Crime (CLARIN, 21 Aug 85).....	18
Floating Port Project Proposal, Flaws (LA NUEVA PROVINCIA, 29 Jul 85; EL ECONOMISTA, 9 Aug 85)...	20
Ports Would Double Grain Export Capacity	20
Project Presents Flaws	21

## BERMUDA

UBP Wins Pembroke West By-election, Increasing Margin (THE ROYAL GAZETTE, 12, 13 Jul 85).....	23
Final Tally	23
Olive Branch From Swan	24
Political Strategists Eye General Election Possibilities (THE ROYAL GAZETTE, 8 Aug 85).....	25
PLP Problems Attributed to Party Construction 'Defect' (Calvin Smith; THE WORKERS VOICE, 26 Jul 85).....	27

New Political Party's Strategy Occupies Middle Ground (THE ROYAL GAZETTE, 13 Aug 85).....	29
Government Borrowed To Offset Deficit in Consolidated Fund (THE ROYAL GAZETTE, 12 Jul 85).....	30
PLP: Cruise Ship Success Hides Real Tourism Problems (THE ROYAL GAZETTE, 10 Aug 85).....	31
Swan Alone in Rejecting Sanctions Against South Africa (THE ROYAL GAZETTE, various dates).....	32
Explanation of Policy	32
PLP Position	33
Coalition Group's Stand	34
Swan Claims Economic Recovery; Others Differ (THE ROYAL GAZETTE, 8 Aug 85).....	35
Dispute Over Economy	35
Swan on Successes, by Joe Weber	37
Briefs	
Slowed Inflation	39

#### BRAZIL

Sarney's Administrative Style, Concerns, Priorities Viewed (Carlos Chagas; O ESTADO DE SAO PAULO, 29 Aug 85).....	40
Probable Future Course of Funaro's Economic Policy Analyzed (O ESTADO DE SAO PAULO, 1 Sep 85).....	43
Finance Minister To Promote Economic Growth; Bio Data (O ESTADO DE SAO PAULO, 27 Aug 85).....	50
Biotech Research Activities in Agriculture, Health Viewed (FOLHA DE SAO PAULO, 10, 12 Aug 85).....	53
Production Increase Guaranteed, by Helio Belik Strategic Tool	53 55
Low Salaries, Budget Cuts Threaten Space Program (Flavio Nery; O ESTADO DE SAO PAULO, 1 Sep 85).....	58
Auto Parts Exports Expected To Climb 12 Percent in 1985 (O ESTADO DE SAO PAULO, 21 Aug 85).....	60



Impact of Nigerian Coup on Trade Relations Assessed (O ESTADO DE SAO PAULO, 28 Aug 85).....	62
Important Trade Partner, by Carlos Conde	62
Interest in Weapon Purchases, by Roberto Godoy	63
<b>Briefs</b>	
Piva Defends Arms Research	64
<b>COLOMBIA</b>	
Liberals Set Positions on Peace Process, Campaign Activity (Carlos Murcia; EL ESPECTADOR, 5 Sep 85).....	65
General Says Nation Is Next Target of Communists (Fernando Landazabal Interview; EL SIGLO, 2 Sep 85).....	69
Congress, Church Denounce Marxist Infiltration in Education (Gonzalo Silva Rivas; EL ESPECTADOR, 30 Aug 85).....	74
<b>CUBA</b>	
Study Notes for Castro's 26 July Speech in Guantanamo (VERDE OLIVO, 1 Aug 85).....	77
Emulation Campaigns in Agriculture Failing To Reach 'Masses' (Chongo Leiva; ANAP, Jun 85).....	82
<b>Briefs</b>	
Most Sugar Complexes Unprofitable	84
Relations With New Zealand Discussed	84
<b>GRENADA</b>	
Government Urged To Take Stand on Trinidad Trade Policy (CANA, 10 Sep 85).....	85
Paper Lauds Decision on Local Government, Queries Roles (Editorial; THE GRENADIAN VOICE, 24 Aug 85).....	86
<b>HAITI</b>	
Church Publicly Reasserts Its Political Rights (LE PETIT SAMEDI SOIR, 27 Jul-2 Aug 85).....	88
<b>MEXICO</b>	
Canadian Trade Measures To Affect Auto Parts Sales (NOTIMEX, 31 Aug 85).....	92

NICARAGUA

COSEP 'Private Enterprise Day' Meeting Prohibited (EL SIGLO, 18 Sep 85).....	93
Pro-Sandinist Labor Unions Issue Document (BARRICADA, 9 Sep 85).....	97

ARGENTINA

VICE PRESIDENT MARTINEZ ON MILITARY, POLITICAL ISSUES

Santiago COSAS in Spanish 11 Jul 85 pp 52-53

[Interview with Victor Martinez, vice president of Argentina, by Soledad Miranda; date and place not given]

[Text] Victor Martinez, vice president of Argentina, has played a double role in the most crucial aspects of the agreement achieved in that country on the signing of the Peace Treaty with Chile. In accordance with the constitution, the vice president is also president of the Senate, whence the double role of this politician who, at the age of 60, represents all the best of the country's Radical traditions. Independently of his own career, which led him to the office of mayor of Cordoba until the coup authored by General Ongania, and the different posts he has held in the party, he is the grandson of Enrique Martinez, who also served as vice president of the nation in the government of Hipolito Irygoyen.

Reputed to be a shrewd negotiator and a man capable of achieving agreement even on the most difficult issues, Martinez had to use that talent in the session at which the Senate approved the signing of the Peace Treaty with the majority opposed. "It was a difficult session because, as you know, the Senate does not have a majority of the party in government and within that same party, there was one legislator opposed. Third, debate had to be permitted because that is what the law stipulates. Furthermore, we had to achieve the objective proposed by the government party of gaining approval of the treaty. My contribution, perhaps, was to assure a quorum at the senatorial session in question so that the problem could be handled and later gain approval.

However, he claims that his involvement was fundamentally due to the double post he holds. Later, occupying the interim presidency while President Alfonsin was traveling, it was he who promulgated the law approving the treaty.

"That later involvement came about almost anecdotally because," he tells us with satisfaction, "it was while we were in Rome that we received the news that Chile had ratified the treaty. Thus it was when I went to thank the Holy Father for his intervention, I practically gave him the news. I had received it only 5 minutes before."

Independently of the peace agreement with Chile, Argentina's domestic situation has also occupied a great deal of the vice president's attention. Inflation, which is around 1,000 percent a year, the announcement of restrictions imposed because of the economic situation and the trial of the military juntas are the issues he discussed in this exclusive interview with COSAS, beginning, naturally, with the significance which the Radical Government attributes to the solution of the conflict with Chile.

"First of all, the signing of the treaty represents the affirmation of a concept of overall peace -- that is, what we have sustained in the political platform and what the current Argentine Government maintains concerning the need to ensure peace, to escape a confrontation over security which, contradictorily enough, instead of affirming the security of peace affirms insecurity through preparations for war. In addition, for us it is an example to show how border conflicts in Latin America that can cause problems of insecurity can be solved. Third, it is a reaffirmation of bilateral ties. A problem between our countries has been solved to the benefit of our two peoples and will bring a series of benefits in bilateral cooperation.

"In my opinion, these are the essential points of the Peace Treaty. Argentina and Chile have given an example to other Latin American countries and to the world of how they can and must solve conflicts, transcending the selfish interests of the parties involved."

[Question] The Pope said that the signing of the agreement was a goal, but also a beginning. In your opinion, what spheres are the most favorable for strengthening relations between the two countries?

[Answer] His Holiness is right, because we have a whole series of cooperation projects through a joint commission. For example, in the area of natural resources, we have Argentine and Chilean gas in the southern region, which must be the subject of a bilateral treaty. We have hydrographic basins, some starting in Argentina and emptying in the Pacific and vice versa. We must achieve cooperation in order to make the best possible use of these basins. We must protect our fauna. We have the possibility of reaching nearby ports in order to export our livestock or industrial production to ports on the Pacific. This, plus electrical interconnections, the highways so essential to tourism and regular traffic. That is why His Holiness is right. This is the beginning or new beginning of bilateral development.

#### Pandora's Box

[Question] Moving on to the domestic situation, how do you evaluate this year and a half of Argentine democracy?

[Answer] It is an affirmation of the certainty of freedom and stability. It is the foundation, the cement of a building that has to be finished, but without that cement, it is impossible to build anything. We believe that this can be, together with the democratic attitude of other Latin American countries, an example for other nations, so that we may have an institutional life with democracy.



In a word, this year and a half can be viewed as a ratification of a consolidated democracy. Naturally, we have extremely serious economic, political and social problems, fruit of the fact that we have always been playing with institutional insecurity while other countries have been seeking permanence. They have therefore been able to plan for the future and the medium and long range. We have not been able to plan economically because we had no institutional plans.

[Question] What is the effect of the trial of the commanding officers on the military junta?

[Answer] We want to respect the Judicial Branch and more than that, we want to respect the sense of justice and judicial procedures. The Executive Branch cannot set itself up as the judge, or the Legislative Branch either, except in cases provided for by the constitution and the law. The Judicial Branch must be in charge of justice.

Basically, a country that has justice has everything. Here it is not a question of trying an institution, the Armed Forces. Here we are trying civilians and military men who may have been guilty of excesses in repression, who specifically committed crimes or violated their specific duties. We have determined to follow a procedure with all the guarantees. The nation's Senate has approved of measures of the Executive Branch so that not only would we have a penal code, but also a law of procedures giving all those accused will have every possible guarantee.

And a trial is taking place, peacefully, with complete respect for procedure and in complete seriousness. It is not sensational, although there are dramatic moments. A trial is taking place in which persons are being brought before the courts in order to be absolved or convicted, but absolved or convicted by the Judicial Branch.

[Question] That was a political decision. Why was it made?

[Answer] That is not so. A political decision may be based on a decision to make a denunciation, but it is a political decision in terms of compliance with a political duty?

[Question] What political duty?

[Answer] To denounce a crime. Any person with knowledge of a crime has the obligation to make it known, not to punish the crime himself. Here one has a whole series of denunciations made, not only individually, but collectively by commissions that acted in the investigation of violations of human rights. Public opinion denounced concrete acts. Consequently, it is then a matter of placing those reports in the hands of justice. That is a political decision, but not based on political motives. Rather, I must say, it is in terms of an obligation of the political government.

[Question] Did they evaluate the hatred that could be awakened?

[Answer] Of course. We do not like to see a person tried or to have a person arrested in our country. We wish there were no common crime, that it were a

paradise, but society is a complex thing and there are criminals. Consequently, we have the obligation to conduct trials to punish the guilty, precisely so that society may live in an organized fashion and so that actions of the past will not be repeated.

[Question] The fact is that there already seem to be opposite feelings. You yourself reported conspiratorial groups some time ago.

[Answer] Of course, because interests are hurt. There are persons who participated directly or indirectly who may not be on trial now but who may be tomorrow in order to clear up the facts. Reactions logically occur.

Apart from that, both the innocent and the suspicious and those possibly responsible when a trial takes place or when freedom of the press is exercised must relive the pain. We relive the torture, the deaths, the kidnappings, the persecution and that feeling of hatred reemerges. But it is inevitable. No one likes to go over the past, but we have to. We have to open up Pandora's box because we cannot be like the ostrich and hide past events or conceal things so that no one will be punished and thus avoid stirring up the hatred again. It is a necessary evil.

[Question] Former President Videla said that he does not expect justice because it is a political trial in which his fate has already been decided.

[Answer] We do not share that view. General Videla, like all the other generals on trial, has his defenders, he has a public hearing, there are judges who are not members of the Executive Branch. We now have a sharing of powers that did not exist during the government of General Videla.

When General Videla acted, he represented one of the institutions of the republic. He set himself up as president of the republic. There was no parliament before which one could report the abnormal events that were occurring. The institutional situation for administering justice today is completely different from what existed when General Videla was president.

[Question] The minister of justice said last year that justice in the case of the missing prisoners would be so just that "it will appear to be revenge." Outside, this sounded too strong.

[Answer] I am not aware that he said that. I think they must have misunderstood him. It is true that some can say that we are taking revenge, but it is far from that.

Revenge is what happened under the military juntas which, in order to fight subversion, also used subversive methods. We do not deny that there has been an internal war. We have also tried persons who killed military men because it is not a matter of defending one group or of legitimizing the guerrillas or the insurgents or the extreme leftists who committed as many violent or illicit acts as the others. It is a question of punishing a crime. I cannot take justice into my own hands because someone has committed murder.

## People Support Us

[Question] Based on what the Argentine people say, one sees that there is an awareness that the country's problems, especially the economic ones, are so serious that no government will be able to solve them. And yet, there is also a certain disenchantment with respect to President Alfonsín's administration. To what do you attribute this?

[Answer] We Argentines think we are aware of the problems, but we think they have to be solved by someone else. We have sometimes been lacking in the spirit of solidarity between the different areas. Each person is aware of his problem, but not of the extent to which he has to cooperate to solve the problem.

If it is Congress, then it thinks that perhaps the Executive Branch should make the greatest sacrifice. The Executive Branch probably thinks the opposite. If it is an official, he thinks it is someone else. The agricultural or industrial sector, the working class: We are all aware of the general problems we face, but there is a scramble for the benefits that each one should receive. That is why we are trying to implement a concerted effort, dialogue, participation, so that we all make an effort and understand the gravity of the situation. Not only that, but the seriousness of the effort we have to make.

There is not much clarity on this. That is perhaps the president had to speak so vigorously on 26 April, when for the first time, a president of the nation summoned the people to tell them harsh truths.

[Question] The economic adjustment he announced will imply a social and political cost.

[Answer] We are trying to make it as easy as possible, especially on the neediest classes. That is why we are fighting the recession. We have high inflation, it is true, but we have to combine it with the unemployment rate. We have an unemployment rate far lower than that of any country in the world.

[Question] Will the decline in public spending not imply unemployment?

[Answer] We hope not.

[Question] That would be very difficult.

[Answer] We want public spending to be reduced in terms of the savings that must be achieved in all public allocations. In the Senate, we managed an 11-percent savings overall last year and we laid no one off; rather, we hired more people. The same is true of the civil service. Hiring has been frozen, that is true, but there have not been massive layoffs or persecution on the pretext of reducing spending.

[Question] At any rate, the government's image will suffer. Will it be able to withstand it?

[Answer] We hope so.

[Question] Finally, what would you say is the greatest strength of this democracy and what are its greatest weaknesses?

[Answer] The people. We may have many groups against us, but we have people who voted us in and who continue to support us. We have confidence.

[Question] And the weaknesses?

[Answer] The weaknesses are the flanks we must attack. We have to ask many sectors to make sacrifices and that may be a weakness.

[Question] What about the threats, the rumors, the conspiracies?

[Answer] We believe that there is no room in Argentine society for a coup, not at all. That is why we are relatively calm. But in the face of crime, we must necessarily denounce its origin. Sometimes crime is the work of common criminals; this is generally so. But in some cases -- especially when there are attacks on radio stations and political parties -- the source is ideological and we have the obligation to report it. However, I repeat, in no instance is there the organization or strength of a coup.

11,464

CSO: 8148/2108



ARGENTINA

PERONIST DEPUTY IMBELLONI DISCUSSES JUSTICIALIST INFIGHTING

Buenos Aires LA SEMANA in Spanish 8 Aug 85 pp 52-55

[Interview with Norberto Imbelloni by Cora Lasso at his home in Banfield; date not given]

[Text] Sincere, surprising and controversial, Deputy Norberto "Beto" Imbelloni is without doubt one of the best known Peronist figures. A close friend of Herminio Iglesias, he admits that he holds a post for which he is unsuited. At his Banfield home he discussed the renovator factions, Grosso, Peron, rowdyism, the mistakes his party has made, Alfonsin, "the Radical verse" and his detective activities.

He smokes three packs of cigarettes a day; his voice is deep, his face angular, cold and impenetrable. At 49 years of age (two marriages, six children and two grandchildren), he boasts of having few friends, of being a fine tango dancer and of being melancholy and sentimental. His reputation as a tough guy has caused more than one headache. Norberto "Beto" Imbelloni, the national Peronist deputy, is also Herminio Iglesias's right-hand man and has spent 26 exhausting years in politics alongside him. He spoke with LA SEMANA for 3 hours at his Banfield home and answered all our questions (at times haltingly, more often forcefully) about Peronism, his childhood, his start in politics, the Radical government, the mistakes of past administrations and the infighting in the Justicialista movement.

[Question] Is Peronism the same without Peron?

[Answer] I think that clear-cut ideas are the important thing, not men. I'm not stupid, though; I realize that this is not the same Peronism as in 1946, that circumstances have changed.

[Question] What mistakes did Peron make?

[Answer] If having given everyone the chance to take summer vacations, if making Mar del Plata a tourist spot for everyone, not just for the privileged few, were mistakes, then Peron made mistakes.

[Question] And what can you be blamed for, what mistakes have you made during your career?

[Answer] Me? Well, I can't be blamed for that much. One of the things that bothers me the most is that I hold a post that I'm unsuited for.

[Question] What?

[Answer] Yes, I'm not cut out to be a politician. Because in this career (it's no secret; everyone knows it) the quickest path is not always the straight one; it's the one that has its headway and its backtracking, its curves and shortcuts. Well, I realize that I'm not suited for that; understanding politics has done me a lot of harm.

I was born in Gerli. My father, who was a barber, was the organizer of the Barbers Center in the province of Buenos Aires. An anarchist through and through, he stuck precisely to his work schedule, lowered his curtain at closing time and ignored the customers who came too late. He did cut sick people's hair for free on Sundays, though. Do I have to tell you that those were hard times? The fact was that it was not easy to make it back then, with eight brothers and sisters and a father who worked only as much as he had to, so he could push for social grievances. My mother's sudden death gave rise to a great many expenses, and I began to see how much truth there was to the saying that "you are what you're worth." My cousins, the children of a doctor, and we sat down at the same table. They always had full glasses of Crush, and we had Naranjin. Inside my family, the people who treated us like orphans began to draw closer when my brother was a star on San Lorenzo, but we knew by that time who we could trust. His transfer to a first-division club got him a bonus of 2,000 pesos, and we used that to pay for mom's funeral, with enough left over to buy a house for my old man, who's dead now. Meanwhile, I delivered coal in a truck and on Sundays sold empanadas at ballparks, in the thick of winter, when my fingers froze and I couldn't even make change, and ice cream during the summer.

[Question] Did you finish high school?

[Answer] No, and it's one of the things that I most regret. I don't agree with the people who say that the best school is the school of hard knocks. I realize now that I need a different background for the post of deputy. At times I'm ashamed of not having stayed in school.

[Question] Mr Imbelloni, do you remember Social Rivadavia?

[Answer] How could I not remember! Osvaldo Pugliese played at that club, and he had a fabulous singer, Alberto Moran. Those two captivated so many women, and there was "Beto" always trying to look good.

[Question] When people speak about Imbelloni, they say that he's a tough, that he loses his temper, that he's violent and that he wants to fight right away. Is that just an unfair reputation or is there a lot of truth to it?

[Answer] A lot of things are said about me, but let me clear up something for you: I'll fight someone who provokes me, but in principle I'm a peaceful fellow. I never keep quiet when I'm attacked, though.

[Question] How did you come to know Herminio?

[Answer] We were introduced at a meeting of the CGT [General Confederation of Labor]-Avellaneda in 1960 and became friends right away. We have been friends all these years, but there have been disagreements too; we are both very impetuous and rebellious, and it's not easy for us to get along.

[Question] I ask myself: If Herminio bites the dust, will Imbelloni bite the dust too?

[Answer] Neither Herminio nor Imbelloni are ever going to bite the dust, because the Peronist movement is never going to bite the dust...

[Question] The renovators said that you gave away two million votes on the 30th of October. What's going to happen at the next elections?

[Answer] What renovators are you talking about? Please! (He sits on the edge of his chair and gesticulates.) I don't believe in the renovators, and I'll tell you something. All of us in the movement were wrong from beginning to end. It's no use looking for scapegoats here to justify our defeat. Alfonsín won, period. We wanted to run a campaign with coal and chalk and forgot that the year was 1983. We wasted our time with infighting. My friend Unamuno said that we were the field marshals of defeat, because we got 42.5 percent of the vote. There is a name for the people who are criticizing us: sons of...

[Question] Was it a mistake, for example, to hand Herminio the lighter to set fire to the coffin during the ceremony at the Obelisk just a few days before the elections?

[Answer] I'm going to regret that my whole life, I swear to you. The casket was burning from the bottom, and I got caught up in the crowd enthusiasm. But I do criticize the people who denounced the burning of the casket and yet hid under their beds when they jeered at Evita's corpse in 1955. I will say it again. All of us were wrong, and the renovators who you mentioned before took off to La Pampa afterwards and vanished. We have to accept our loss, but that doesn't mean that we have to change horses in midstream.

[Question] Do you remember the remark "you came, dad [papa]"? You said that to Herminio.

[Answer] Hold it, hold it...I'll explain that to you. Yes, I said that to him, but I call all my friends, the few I have, dad. That's how I greeted him the night that the Chamber of Deputies debated the Union Reorganization Law

and he really wanted to be there. I was one of the few who got up to greet him affectionately. Some of the people who even owed their seats to him stayed glued to their chairs.

[Question] Mr Imbelloni, you like to play private detective, don't you? You were the first to open your mouth about the Guglielminetti case and then you gave details about Meyer's kidnapping.

[Answer] I'm not fond of the role. I don't think that I was the first to get information about Guglielminetti. What's more, I'm sure that others got the information too, and the business about Meyer came in the same package. I'm not going to tell you everything that was said because it appeared everywhere, but it was my duty to give the interior minister all of the information to prevent a catastrophe here. But I don't want to talk about that either. It's ancient history.

[Question] Like the charges that you're too friendly with Troccoli? Is that ancient history too?

[Answer] Who said that I'm his friend? I'm an acquaintance of his, period. I have great respect for both him and Dr Pugliese.

[Question] What did you mean when you declared a short while ago that Alfonsin had ripped into Peronism and the labor movement?

[Answer] Just that, that he had ripped into us. He spoke out against a military-union pact, but he forgot that in 1955 we weren't the ones who bruised our knuckles knocking on the barracks doors. Dr Alfonsin showed a great lack of respect for the labor movement by saying these things and by forgetting that this democracy also rests on victims in the labor movement. I think that he is confused or poorly advised.

[Question] What do you think of the formation of the Herminio-Frondizi front?

[Answer] I think that we all have to rebuild the country and I have great respect for Frondizi. Between us, I would never have thought of this new ticket, but...it doesn't matter whether I like it or not. If the provincial congress gave the authorization for it, there must be a reason, right?

[Question] You said a moment ago that Peronism made a great many mistakes. What mistakes has the Radical government made?

[Answer] Dr Alfonsin has made terrible mistakes. First, by making promises during his campaign that he knew he couldn't keep. I would like to see the tips of his shoes to find out whether they're broken, because if I am not mistaken, he said that "I'm going to kick in the doors of our industries." Do you want another example? On 16 January at a ceremony in Parana he shouted to 35,000 people: "No more sharp utility hikes in my country," and that month there were record utility hikes.

[Question] Excuse me, but what do the Peronists mean when they talk about the "Radical verse"?



[Answer] I don't know. The verse of lies? Many young people are saying today that Radicalism is a verse.

[Question] Well, that's your opinion. But I wonder then what the Peronist verse is.

[Answer] The Peronist verse doesn't exist, just as I don't think that the Radical verse exists either. I am convinced that Alfonsin is deeply displeased about everything that is happening in the country, even though he is to blame. He lied during the campaign and he has kept on lying as president, because before being elected he said whatever he wanted, without imagining that he had a chance to win. He's not keeping his word now because a series of irregularities are preventing him, such as being surrounded by people like German Lopez Rega (laughs), excuse me, my subconscious betrayed me, German Lopez, who hasn't the slightest idea of what the CGT is. We all have to help the president complete his term. We have to help him so that he doesn't make more mistakes. Because Alfonsin is full of good intentions. But he is also full of lies.

8743

CSO: 8148/2123

ARGENTINA

CIVILIAN, MILITARY ATTITUDES TOWARD COMPULSORY SERVICE

Buenos Aires CLARIN in Spanish 16 Aug 85 pp 4-5

[Article by Amadeo Lukas]

[Text] "Run, clean and sweep." Does that little phrase mean nothing to you? Whatever the case, one has but to take the first syllable of those three words to come up with a very familiar term: *colimba* [*correr, limpiar, barrer*]

Once one has pronounced the magic word, it is almost impossible to stem the flow of opinions expressed because the question of military service is extremely controversial, even for those exempted or, for various reasons -- let us say quite properly -- who escaped it. In a structure where professional soldiers themselves consider that being struck off the list is a reward for the best soldiers, being summoned to perform military service, lie flat on the ground and, if that were not enough, submitting to one of the "disciplines" named in the little phrase is scarcely cause for joy.

We therefore decided to research public opinion on the matter, one which the Radical government placed high on the list of "100 Measures that will change your life" during the election campaign and that have been gradually diluted without too many explanations. It is not a question of giving rise to sterile controversy, but rather, of pointing out that the question is deserving of more thorough treatment going far beyond these few lines, which are a mere introduction made up of opinions of groups that view the thorny subject from many different angles.

Military Men

It could not be otherwise if we wanted to respect the hierarchy of things and we therefore went first to the Ministry of Defense to learn the official view of the matter. We also visited a few military establishments and talked with retired soldiers.

Our tour provided us with various reflections, which can be summed up as follows: "As a result of the traumatic memory created by the conflict in the South Atlantic and certain factors that contributed to the same result, the population now has a certain amount of aversion to things military. This is understandable inasmuch as, on an emotional level, all men and women, whether or not they are parents and whether or not they have sons at the front,

went through the terrible experience of knowing and thinking that young Argentine soldiers with little knowledge and experience were at the mercy of an enemy such as the British. In the past 3 years, there has been opposition to compulsory military service and there has been an intensification of newspaper campaigns referring to the most negative aspects of conscription. But it is adults and especially parents, rather than the young, who take up this attitude with the greatest fervor."

Military sources also said that "if we send conscripts or professional volunteers to a battlefield, the likelihood of success in the conflict will gradually increase in direct relationship to the suitability of the soldiers, their physical, psychological and military training and not based on the system of recruitment used. The system of compulsory military service gives us a broad and varied sampling of the population, contrary to what occurs with the volunteer system."

With respect to the possibility of modifications in the existing system, we obtained the following opinion: "Deciding on a new system is not an easy or rapid task, nor can it be done in an isolated fashion. There are national policies and objectives with which we must seek coherence. Any reorganization of the armed forces will depend on numerous factors, including the possibilities of conflict and other matters. We believe that the task has been begun. Continuing it requires extensive and far-reaching studies being conducted by politicians and professionals, both civilian and military. As we move away from the traumatic experience of the war, we shall manage to isolate the spectres created concerning military matters and eliminate that subjectivity that still persists. Such an attitude will enable us to think and decide, with the greatest objectivity of which we are capable, which structure is the most suitable and in keeping with the needs of our nation."

Within the military perspective, retired military men also have their word to add. Col Augusto Rattenbach, a member of that group, gave us his personal opinion.

"Military service is a means by which citizens are called upon to perform a common, public service. The service he will perform depends on the new purposes of the armed forces. It is worrisome that we do not yet know what type of armed forces we are to have. This reorganization should not be made in a vacuum, but rather, respond to a national plan. The irregularities now observed in the military service must be eradicated, but until the Executive Branch defines what kind of an Argentina we must model for the future, we can scarcely determine what type of service we are to have."

For his part, Col Jaime Cesio, leader of the Intransigent Party, said: "First of all, one must note that the military service does not mean underdevelopment, as some persons believe. Countries such as France, far from underdeveloped, have compulsory military service and the same is true of many others. The fundamental issue, in my opinion, is whether or not one must train a professional army, which would result from an optional military service. The Malvinas episode revealed a green, inexperienced army, extremely poorly prepared, and somewhat strengthened the opinion that we should have a professional army."

But every man has ambitions and desires and cannot always be turned into a soldier, even if he willingly accepts his summons. It is a hard path and just as in every other activity, the recruit must have a real vocation. In this case, the recruitment of professionals may be costly and ineffective, but my greatest fear is that with this type of army, if there should be a coup d'etat, it would be even bloodier and more ghastly than what we have suffered. Before establishing whether or not military service will be voluntary, one must reduce the amount of time served, with a training from which subservience has been eliminated and with a reduction in the number of young men called."

Many military men have already made up their minds on the matter and are consequently ready to give their opinion. But there are also many who, like Gen Alejandro Agustin Lanusse (who amicably excused himself from expressing any opinion), prefer "not to speak about the matter for the time being."

#### Civilians

At this point in our tour, we decided to "cross the street" and poll the other side, speaking, for example, with FOSMO (Front of Opposition to Compulsory Military Service), an organization which, as its name indicates, frankly lobbies for the abolition of that service.

The organization was founded by Eduardo Pimentel and has received thousands of memberships from bishops, professional people, cultural figures, workers and students. According to FOSMO, compulsory military service deprives the recruit of rights bestowed by the National Constitution and fails to recognize basic principles of the Universal Declaration of Human Rights established by the United Nations. Its principal members maintain that conscription subjects recruits to a harsh disciplinary regime marked by physical, psychological and moral violence that can turn into a veritable nightmare and even involve risk to his physical integrity and life itself. This is revealed by a list of soldiers who have died from April 1983 to date, a sad list that includes trainees drowned, electrocuted, committed suicide under dubious conditions and missing. This year alone, there have been 11 cases of men who died while performing their military service. FOSMO claims that in the past 50 years, compulsory military service has been an instrument through which the armed forces have exercised power.

But if there is one fundamental fact that has set off heated controversy about the issue of military service, it is undeniable that that fact was the war in the Malvinas. No one is in a better position to express opinions about that experience than the young men who participated in the fighting. The Malvinas Veterans Center emphasized that the reasons making military service a dramatic and feared circumstance must be eliminated outright: "The points that must be eliminated without further delay are the subservience of conscripts to officers, the constant violations of human rights, the military leaders without proper officer training -- who confuse respect with arrogance and abuses of authority -- and the failure to make the best possible use of personal and collective aptitudes of the soldiers. And yet, we believe that compulsory military service is fitting, above all because of the fact that, paradoxically enough, it is an obstacle to allowing the armed forces to develop a coup mentality because they will consequently be mingled with the people and not isolated to their own circles."



## Statistics

<u>Year</u>	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Total</u>
1982	90,000	15,000	10,000	115,000
1983	55,000	15,000	12,000	82,000
1985	35,000	7,500	7,500	50,000

Data for 1982 were taken from the periodical *MILITARY BALANCE* in Great Britain, while those for 1983 and 1985 correspond to unofficial estimates.

Although part of another group, Marcelo Alvarado, of the Malvinas Veterans League, agreed with the foregoing testimony: "We believe that the basic patriotic principles must be preserved. The armed forces are part of our national essence and compulsory military service is one of the key foundations. In our opinion, there must be no substantive modifications in the discipline because it could not be replaced by any other and consequently, our defense would be considerably affected."

"Furthermore," Alvarado continues, "optional military service has not been considered as a valid proposal in the world. Only six or seven countries now have voluntary service. Whatever the case, we believe that a few things should be considered in the short run, such as, for example, the use of the conscript for domestic service. This type of attitude must disappear."

However, when it comes time to balance the views of the veterans, it is worthwhile to point out that a great majority of them belong to no organization or association and almost all those surveyed individually came out against the continuation of compulsory military service.

## Conscientious Objection

Few are informed about the existence of this law, which was sent on by the Executive Branch and approved by the Senate and Chamber of Deputies.

The basis for the law is that "there is no reason to force citizens holding specific moral or religious convictions to comply with military service if it does not agree with their ethical customs or beliefs."

Article 1, for example, states that "any Argentine citizen can be exempt from compulsory military service when its performance is incompatible with firm and clear imperatives of conscience of a moral or religious nature."

Article 2 states that the person included in this situation "may present his petition for exemption to the National Civil and Federal Commercial Court of the First Instance in the jurisdiction corresponding to his residence, previous to being summoned, providing documentary proof to back his request."

Information of greatest usefulness to those included in this law is found in Article 6: "Evaluation of proof must take the following circumstances into

account: 1) the sincerity of the convictions of the petitioner, which cannot be exclusively based on mere political affiliation; 2) personal background, especially with respect to religious, philosophical and moral activities, studies and practices; 3) in pertinent cases, the certificate issued by the Undersecretariat of Religion; and 4) psychiatric and psychological reports on the personality of the petitioner."

Article 9 emphasizes another very important point: "Those declared to be conscientious objectors will be exempt from military service and will be required to perform social services in its place, as determined by this law, for which purpose the petitioner must present himself before the Ministry of Defense within 30 days of receiving the summons so stating."

Article 12 goes further regarding substitute social service: "Those who have completed their substitute social service will then become members of the reserve and if called, must lend their services in the areas of civil defense, health or any related areas for which they have been trained, not requiring the use of arms and implying no military activity."

#### Political Youth: Opinions

Rodolfo Escalada (Radical Youth): Required. "Military service must continue to be compulsory. We do not believe that that is the conflict. The real problem is the role of the armed forces in the nation. The armed forces should be an instrument of defense of the people and not the opposite. They must change many guidelines and systems of organization. Mistreatment will not change if military service become voluntary. The problem lies elsewhere. The situation cannot be changed over night. We have a history of 40 years of a specific mentality in which the conscript has generally been treated like an animal. It is a very difficult task that will require time on both sides because we also believe that the young recruit must change his preconceived ideas and go in expecting a different type of relationship and treatment."

Pablo Unamuno (Peronist Youth): Required but shorter. "We believe that some aspects of military service must be changed, but we believe it should be compulsory. We do not at all support the methods applied in recent years, which are definitely degrading, but one must realize that military service is an old republican tradition that must not be lost. The length of time should be reduced because the duration is unnecessary for the originally established objective. We support the Ricchieri Law because it signifies assuming our nationality."

Arturo Crosetti (delegate on the National Intransigent Youth Committee): Compulsory but reduced. "A series of things should be modified, but basically, the time of service, which should be reduced to 3 months, sufficient for the basic training given. A year or more of services produces the problem of interrupting education and other disadvantages. We believe that young people should be more useful to society in other fields the rest of the time. At any rate, the requirement should not be done away with, for it is intimately linked to defense."

Alejandro Mosquera (Communist Youth Federation): Required. "We agree that military service is not only a duty, but also a right. Consequently, it must be respected. This does not mean that we are unaware of the mistakes and deficiencies of the National Security Doctrine, with its abnormal mechanisms and practices that have still not been rooted out of this discipline. We believe that removing the requirement can produce an army of professionals that would be even more alienated from the people. However, we do agree that a reduction in the time of service should be contemplated."

Pablo Pimentel (Christian Democratic Youth): Abolition. "Compulsory military service is a remnant of slavery because it forces people to perform duties and have attitudes with which they feel no spiritual kinship or with which they do not agree. The requirement is inconceivable in a free, modern society. The Ricchieri Law should be abolished. It was passed in 1901 to control a large group of men in the interior who at that time were presumed to be potentially dangerous. In the past 50 years, military service has been one of the main instruments used by the armed forces to exercise their power over the rest of society, but we are in 1985 and none of that has any meaning any more."

Pedro Benegas (Democratic Center Union Youth): Required but reduced. "We believe that the current system of military service has a number of flaws stemming from the time it was set up. The period of 1 year is excessive and has two negative consequences: The young conscript loses a year and has to leave his family, work and education. Second, in entering the service, he has much greater knowledge than was the case in previous decades and the instruction of the military institutions is not good enough to serve a better purpose. We propose as a solution that military service be required and that it be 3 months in length, sufficient for the real military training that any young man must receive."

11,464

CSO: 3348/944

ARGENTINA

PROVINCIAL POLICE INTENSIFY EFFORTS AGAINST CRIME

Buenos Aires CLARIN in Spanish 21 Aug 85 p 38

[Text] Juan Antonio Portesi, Buenos Aires minister of government, revealed at a press conference yesterday that "the Buenos Aires Province police are now better equipped to perform their specific task better, but however important the incorporation of new equipment, weapons and men may be, it is still not adequate, for which reason new allocations will be provided." The official said that "we are not going to inform criminals about the means we now have, but we hope that the people will know of the efforts being made to provide police with the means needed to put an end to this wave of wrongdoing."

Portesi emphasized that a call for bids will soon (before the end of the month) be issued for the purchase of 100 lower-powered vehicles to be used in the urban patrol program. Such vehicles will have a different communications system that will be much faster and interconnected. The vehicles will also have minicomputers, to be used experimentally on some units, so that teams in the streets will have timely, precise information relating to arrest warrants, stolen vehicles or any other type of crime.

More Personnel

Regarding personnel, the Buenos Aires minister said that on 16 October, after a preparatory course of training, some 600 new officers will go on duty, receiving their uniforms and weapons at that time. Between November and December, another 300 officers will be added and by the end of the year, some 500 officers will graduate from the Juan Vucetich School and will go to work immediately. Portesi said that "in order to carry out these and other additional plans, a large share of the 250,000 australs of the funds reserved for Governor Alejandro Armendariz had been used." In addition, with respect to other police news, Portesi revealed to newsmen gathered together in his office that "so far this year, we have acquired 355 mobile units for use in patrolling the streets of the first Argentine state, including the following: 108 Renault 18's; 80 Peugeot 504's; 167 Peugeot 504's incorporated after a trade for 148 used Mercedes Benz jeeps, 1980 and 1981 models, that the police had."

Regarding maintenance of mobile units, including aircraft, Portesi said that a total of 10,071 australs had been spent for the different categories.



## Weapons

Referring to weapons Buenos Aires police have to fight crime, the minister of government said that "we have purchased 300 9-mm submachine guns, 2,500 9-caliber pistols, 250,000 shells of that type, 4,600 teargas bombs and 4,200 teargas shells. Another 1 million 9-mm shells and 2,500 pistol clips are in the process of being purchased."

Portesi said finally that "we are determined to solve a situation that affects all of us, providing better security throughout the province and especially in Greater Buenos Aires."

11,464

CSO: 3348/944

ARGENTINA

FLOATING PORT PROJECT PROPOSAL, FLAWS

Ports Would Double Grain Export Capacity

Buenos Aires LA NUEVA PROVINCIA in Spanish 29 Jul 85 pp 1, 4

[Text] The Argentina Government is studying the proposal of a French firm to build two floating ports off the coast of Buenos Aires Province. The proposal would make it possible to practically double the grain export capacity of Argentina.

The project was analyzed on Thursday by Roberto Tomasini, minister of public works and services, with the vice president of the French Metal Enterprises Company, Maurice Idelson, and the president of the Titan firm, Greek entrepreneur Nicholas Papanicolaou. At the meeting, the official representative expressed "the government's strong interest in supporting the undertaking, which would contribute directly to our purpose of reviving exports."

Among the alternatives presented by the French official to the Argentine Government was the outline of financing for the project, which would make it possible to increase the shipping capacity of grain exported by Argentina by nearly 60 percent.

The French Metal Enterprises Company, a French subsidiary of the French national steel construction enterprise, specializes in the manufacture of metallic structures on the ocean all over the world.

The French Government and a group of French banks would be the main participants in the financing package.

Sources in the Argentine Foreign Ministry have reported that Alfonsin's coming visit to France could be the opportunity to sign the agreement, given the fact that the president was "very interested" in completion of the project.

The proposal provides that grain ships of up to 150,000 tons could be loaded at the two floating ports. Vessels of this size cannot now dock at any Argentine port and yet, that is the size of the main grain ships in the world.

Plans also provide that the transport of grain overland to the floating ports would be on smaller vessels which, according to sources in Argentine shipping circles, "could turn out to be a major boost to revival of the shipping industry."

11 October 1985

Steps taken to begin installing the two ports, which could go into operation 30 months from the start of construction, are "already well underway," sources say. Among the proposals for their operation which the French Metal Enterprises Company have forwarded to the Argentine Government are all the alternatives: from the purchase of the two floating ports through its organizations to their operation by the French enterprise and the Titan firm as private property, and including all the different gradations in the system of ownership.

At least 2 months ago, the Argentine Government began to approach the Club of Paris and different European organizations in order to garner the support of those governments for plans to reactivate the productive apparatus.

Officials are greatly concerned over increasing exports and consider that category as "the main source of revenue for Argentina."

One of the objectives of the export policy is to manage to sell on different markets of the world 24 million tons of grain, for which purpose the storage and shipping capacity has turned out to be one of the greatest obstacles to overcome.

#### Project Presents Flaws

Buenos Aires EL ECONOMISTA in Spanish 9 Aug 85 pp 22-23

[Text] The structure would be divided into 36 silos with a capacity of 4,600 tons of grain each. Total capacity of the unit would be approximately 160,000 tons. According to enterprise executives who presented the proposal to the Argentine Government, the Titan Brokerage Company, headed by Nicholas Papanicolaou, the silo can handle an operation of 36 million tons a day and the area chosen for the anchorage (Charlie zone), which has a depth of 45 feet, would permit the operation of ships of up to 150,000 tons dead weight, with the resulting lower final cost because of reduced freight charges.

The financing proposal is now in the hands of Argentine authorities, along with four alternatives for the floating port or silo: 1) that the Argentine Government would buy the construction through the General Port Administration or any other government organization; 2) that the owner would be the Titan firm and that it would rent the facility to the government with the possibility that the rent would be constituted by the payment of tolls by users; 3) that operations be through a private consortium, of which the Titan firm would be one of the members; and 4) that operations be the responsibility of a joint venture -- government-private -- of which the National Grain Board would reserve a percentage of the shares.

This is a brief summary of the extensive and ambitious project which, in our opinion, presents major flaws with respect to the feasibility of operations.

For example, we should like to know:

- 1) whether the enterprise has completed studies on the road and rail infrastructure available to supply a minimum of 36,000 tons of grain a day to the docks for shipment to the floating port by tugs and barges;

- b) if there is sufficient port capacity, given the fact that efficiency at ports operated by the National Grain Board is notoriously lower than loading speed at similar ports handled by private enterprise;
- c) if the enterprise and officials in the Ministry of Public Works are aware that the number of river barges of 36,000 tons dead weight available (although they must be used with less weight because of the condition of navigable channels) is only 4 and that the requirements for a maritime port are on the order of 20 with a dead weight of some 30,000 tons;
- d) if these units are to be built in the country with credits and subsidies from the National Merchant Marine Fund, given the fact that Argentine owners do not have their own resources to contract for their construction;
- e) whether the National Merchant Marine Fund has committed its resources to the investment plan set forth in the 5-Year Shipbuilding Plan until 1990;
- f) whether the plan includes 4 with their own tugboats, within that 5-year period;
- g) whether each river barge requires a high-powered tugboat, which must also be built by national shipyards with their own funds; whether the cost of each semi-integrated unit (tugboat and barge) is nearly equal to that of a conventional vessel of the same size;
- h) whether officials realize that it would be difficult for riverboat owners to risk such sums on vessels they can only operate under optimum conditions during the grain harvesting period, meaning an absolutely seasonal business;
- i) whether it is known that conventional tug systems (barges of from 1,500 to 2,500 tons dead weight) are not suitable for use on open waters, for when an attempt was made to use them, rough waters broke the cables, endangering lives, equipment, cargo, and so on;

If we go by news stories that appeared following presentation of the project, describing two units of similar characteristics, then we have even more questions, meaning that we are no longer in a "gray zone," but in an area absolutely impossible to cross.

Our disquisitions on the project in question would not be part of this issue if investments were private with the accompanying risks, but since the basis of those investments must be provided by the Central Bank of Argentina and since the possible buyers are national companies, then we are concerned and prefer to remain at a distance.

If the questions have satisfactory answers, then our pages are open to make them available to our readers and inform them about this project which, if carried out, would transform our country's shipping system.



BERMUDA

UBP WINS PEMBROKE WEST BY-ELECTION, INCREASING MARGIN

Final Tally

Hamilton THE ROYAL GAZETTE in English 12 Jul 85 p 1

[Excerpts]

United Bermuda Party candidate Dr. David Dyer last night swept to a landslide victory in the Pembroke West by-election, while the Independents crept into second place.

The new-look Progressive Labour Party was pushed into an embarrassing third place by the Independent candidate they expelled from their party only months ago.

Today newly-elected MP Dr. Dyer will be sworn-in during a brief ceremony at the House of Assembly, while the two opposition groups start inquests into the by-election where both lost their deposits.

Independent candidate Mr. Roger Russell won second place by just four votes, when he picked up 9.5 percent of the poll with 101 votes.

PLP candidate Mr. Gerald Daniels insisted: "I'm not disappointed. I think it's been a fantastic experience and I have enjoyed every minute of it. I think the voters made a choice for a hometown boy."

He won just 97 votes and the PLP percentage slumped to 9.1 percent from 27.65 percent in last year's by-election when Mr. Calvin Smith picked up 324 votes.

They blamed heavy rain for the poor turnout of voters, which dropped to 62 percent with only 1,095 of the 1,702 electors actually voting.

Dr. Dyer pushed the UBP vote up to a massive 80.3 percent from the 71.67 percent won by Dr. Clarence Terceira in a by-election in May last year.

The results are obviously a boost to the Independents who are expected to play a leading role in a new third party.

But their supporters will be carefully examining the results which seem to indicate that dissatisfied PLP voters are not going to switch automatically to another party.

Their supporters had insisted the by-election was a testing ground to see if it was possible to displace the PLP from second place, and to discover the level of ballot box support.

**How they voted**

Dr. David Dyer(UBP)	856(80.30%)
Mr. Roger Russell(Ind)	101(9.47%)
Mr. Gerald Daniels(PLP)	97(9.10%)
Spoilt ballots	12(1.13%)
Total	1066(62% turnout)

Olive Branch From Swan

Hamilton THE ROYAL GAZETTE in English 13 Jul 85 p 5

[Text]

**Premier the Hon. John Swan** yesterday extended an olive leaf to the Opposition following the PLP's disastrous showing in the Pembroke West by-election.

Speaking on the motion to adjourn, the Premier adopted a conciliatory tone and said the Opposition should not be discouraged by the by-election results, which saw their candidate Mr. Gerald Daniels nudged into third place by Independent Mr. Roger Russell.

"The last year has seen the political mosaic in our country change," he said. "A difference of opinion in the Government ranks was interpreted as dissension but there was always a common thread to tie the party together. But on the other side when the same type of thing happened the thread was not sufficiently strong and snapped."

The Premier said the PLP's internal problems had handicapped the party at the polls.

"The Opposition's problems brought a sense of anxiety and uncertainty to the country," he said. "I don't think we can ignore the reality of what happened in Pembroke West but I'm not here to pat the UBP on the back. I don't believe the Opposition took a thrashing in the by-election."

Mr. Swan said independent candidates always did well in by-elections when the main Opposition party is fragmented. He pointed to the string of Liberal and Social Democratic victories in recent British by-elections.

"I think the Opposition did as well as could have been expected under the circumstances," said the Premier. "The result was a reflection of public misgivings."

Mr. Swan urged the Opposition to resolve its internal differences because the PLP's supporters deserved better.

"The public wants to know we care and are getting on with the job and looking after their affairs," he said.

The Premier said Bermuda's voters were well-educated and sophisticated, and could not tolerate squabbling in their political parties.

"We have a thinking public which is looking for rational, sound decisions from its elected representatives based on a lot of thought," he said.

CSO: 3298/1015

BERMUDA

## POLITICAL STRATEGISTS EYE GENERAL ELECTION POSSIBILITIES

Hamilton THE ROYAL GAZETTE in English 8 Aug 85 p 2

[Text]

Political strategists are to spend the next few weeks playing a complicated numbers game in a bid to draw up a battle plan for a surprise General Election.

The political parties will be carefully analysing a key list of people who will be entitled to vote if a General Election is called this year.

A slump in the number of voters since the last General Election in 1983 is leaving some MPs facing tougher fights as marginal seats become fierce battle grounds.

The Progressive Labour Party appears to have increased its strength in some of the key constituencies that were won by only a handful of votes.

But it is these very seats where it is likely to face a challenge from a new third party, and the paperwork analysis gives no clues on how many voters would swing away to support the political newcomers.

Party workers swung into action earlier this year to persuade more people to register to vote and added 1,742 names to the list in just three months.

Politicians traditionally believe that a higher registration will help the PLP, whose supporters are usually less enthusiastic about registering to vote.

Now six marginal seats could be threatened by the changes in the electoral register.

■ **Hamilton West** where Minister of Education the Hon. George Thomas and Minister of Youth, Sport and Recreation the Hon. Maxwell Burgess' five-vote majority is threatened by an additional 18 voters.

■ **St. George's North** where United Bermuda Party backbencher Mr. Doc Hall and Government Whip Mr. Henry Hayward's 62-vote majority could be challenged by an extra 86 voters.

■ **Hamilton East** where Environment Minister the Hon. Haskins Davis' 29-vote majority and Independent MP Mr. Gilbert Darrell's 42-vote lead could be threatened by a drop of 14 voters.

■ **Warwick East** where Tourism Minister the Hon. J. Irving Pearman's 15-vote majority and Independent MP Mr. Walter Brangman's 19-strong majority is challenged by a drop of 44 voters.

■ **Warwick West** where Minister of Labour and Home Affairs the Hon. Sir John Sharpe and Minister of Works and Housing the Hon. Quinton Edness' 118 majority is challenged by an additional 104 voters.

■ **Pembroke East Central** where Shadow Minister of Tourism Mr. Stanley Morton and Shadow Minister of Works and Housing Dr. Barbara Ball could lose their 48-vote majority with a drop of 128 voters.

But Independent MP Mr. Lionel Simmons said: "Everyone is trying to work out their formulas and this time it's going to be different. It's a different political era."

He said the recent Pembroke West by-election, when an Independent candidate pushed the PLP into third place, showed they had support from the electorate.

"This time the Independent group will be a third party and that is going to make a tremendous difference. A third party will pick up votes from both parties."

He said the Independents were reviewing surveys of all parishes and using the registration figures to prepare an election strategy.

Supporters-for-Change spokesman Mrs. Kathleen Ball said: "The dissatisfaction with the parties has been so great that people are not seeing the necessity of registering to vote."

The number of people registered to vote this year compared with registered voters in the last General Election.

St. George's North (UBP marginal).....	1,280 (+86)
St. George's South (UBP).....	1,126 (+3)
Hamilton East (UBP and Ind. marginal).....	1,126 (-14)
Hamilton West (UBP marginal).....	1,088 (+18)
Smith's North (UBP).....	1,226 (+23)
Smith's South (UBP).....	1,253 (-7)
Devonshire North (PLP).....	1,763 (-119)
Devonshire South (UBP).....	1,878 (-86)
Pembroke East (PLP and Ind.).....	1,450 (-180)
Pembroke East Central (PLP marginal).....	1,555 (-128)
Pembroke West Central (UBP).....	1,772 (-205)
Pembroke West (UBP).....	1,703 (-33)
Paget East (UBP).....	1,077 (-89)
Paget West (UBP).....	1,088 (+24)
Warwick East (Ind. and UBP marginal).....	1,852 (-44)
Warwick West (UBP marginal).....	2,150 (+104)
Southampton East (PLP).....	1,188 (-97)
Southampton West (UBP).....	1,464 (+172)
Sandys North (PLP and Ind.).....	1,795 (-7)
Sandys South (PLP).....	1,813 (-48)
<b>TOTAL.....</b>	<b>29,958 (-613)</b>

"They are people who would sooner cut off their hands than vote UBP and we are hoping to provide an option that will redress this situation."

The total number of voters has dropped by 613 since the last election, although an extra 109 names have been added to the register since last year.

PLP public relations officer Sen. David Allen said: "I think it's a fair assessment that the marginals have become more marginal."

"A lot of people are quite turned-off generally. It's not just the split in the PLP."

"Some people are very disenchanted with Mr. Swan and some of the policies of the United Bermuda Party."

"Some people who voted for the ruling party are not inclined to participate right now."

PLP workers believe registration drives earlier this year added nearly 100 supporters to the register in Warwick West and nearly 150 in Pembroke East Central.

Sen. Allen added: "It has always been a positive thing for the PLP when the registration is up."

"Throughout the world conservative party supporters tend to have less of a problem in getting their supporters to register to vote."

But UBP Executive officer Mr. Ed Williams was less impressed with the numbers game.

"There is more to it than just a numbers game," he insisted. The rapport a candidate had built up with his constituents was just as important.

"It's to do with how the Country is going as a whole, the economy and everything. It's to do with the mood of the Country."

The UBP is also examining the results of a national opinion survey, but officials have stressed it is not a signal there is to be an early General Election.



BERMUDA

## PLP PROBLEMS ATTRIBUTED TO PARTY CONSTITUTION 'DEFECT'

Hamilton THE WORKERS VOICE in English 26 Jul 85 pp 2, 6

[Article by Calvin Smith]

[Text]

In 1982, the PLP Constitution was amended to create "a Party Leader". But, the framers of the amendments bringing this about did not provide the machinery for a smooth change of leadership. It is this fundamental defect in the Constitution which, in my view, has caused much of the problems that the Progressive Labour Party faces today. In fact, as the Constitution now stands, the Leader in Office could well be called "Leader for Life".

To appreciate this harsh conclusion, one has only to review the process by which a leader may be changed. The key provisions are to be found in Article IV(c) of the Constitution and Clause 2, Section 1 of the Bye-laws.

Article IV(c) declares: "The Party Leader and Deputy Party Leader shall be elected by a joint meeting of a Special Delegates' Conference, convened for that purpose, and the Parliamentary Group, within 72 hours after the completion of a General Election."

There are two obvious weaknesses in this provision. 1) 72 hours is not enough time in which to organise such an important election. 2) Since the election of the Leader must take place at the same time the Party is contesting a General Election, there is a very serious conflict of goals and objectives involved.

### CONFLICTING CAMPAIGNS

Seventy-two hours is simply not enough time to set up a Special Delegates' Conference properly. This becomes of paramount importance, if the Leadership is being contested. Such being the case, candidates would be forced to conduct their leadership campaigns, while at the same time, contesting the General Election. Hardly a desirable state of affairs!

The second point highlights the serious conflicts of interest which must arise, not only for the candidates, but for all members of the Party.

The Party Leader, who should be giving full attention to implementing election strategy, must concern himself/herself with retain-

ing his/her leadership.

Members of the Central Committee (who have the prime responsibility for supervising all aspects of an election campaign) would have to divide their efforts between the campaign and rallying officials for their own particular choice for Leader.

Branch officials would have to give equal time to canvassing for delegates, supportive of their choice of Leader and for support for the PLP candidates in the General Election.

Finally, while candidates and branches in "safe" constituencies would have a decided advantage, in such activity, the Party as a whole, would be placed at a disadvantage.

### PARLIAMENTARIANS NO SAY

Clearly, the constitutional requirement that the PLP Leader be selected within 72 hours, after the Party has contested a General Election, needs to be amended.

Clause 2, Section 1 of the Bye-Laws defines the Leader of the Party as follows: "The Leader of the Party shall be the person elected as the Leader of the Parliamentary Group, and shall be the Chief Executive Officer of the Party and may assign such duties to other officers of the Party as may be consistent with the Constitution, after prior consultation with the Chairman."

It is noteworthy, however, that the Parliamentary Leader is elected jointly by the Spec-

ial Delegates and the voting members of the Parliamentary Group. But the number of Special Delegates vastly outnumber the Parliamentary Group.

Thus, the members of Parliament, who are designated to run the Government, should the Party win a General Election, would have virtually no say about who will lead them in Parliament, or who will run the Party.

#### **NO CLEAR DIRECTIVE**

The fact that the Constitution gives so little power to the Parliamentary Group, even though that body is easily the most important in the Party, is another fundamental argument for changing the process for selecting the Leader.

There are other provisions for the calling of a Special Delegates' Conference. Clause 6, Section 1 of the Bye-Laws states that a Special Delegates' Conference can be called by: 1) Any three branches and 2) The Central Committee of the Party.

Either of these methods involves at least two steps. Step one would be to call for a Special Delegates' Conference to vote on a motion of no confidence in the Leader and for his/her resignation.

Step two would be to call another Conference, this time composed of delegates and the Parliamentary Group, as required by the Constitution, to elect a new Leader.

But there is no procedure outlining how these steps are to be initiated, except that they must be carried out by the Chairman of the Party. Furthermore, there are no time constraints imposed, within which the Chairman must act, so that a Chairman who is protective of his/her Leader, could delay the convening of such conferences almost indefinitely.

#### **ONLY SOLUTION**

It is clear that, no matter which route any group might take, in order to bring about a change in the PLP leadership, serious disruption inevitably will be created within the Party. So much so, that it is difficult to see how any group could replace a Leader, unwilling to step down, without destabilising the Party.

In which case, such a group could be accused of being in breach of those sections of the Constitution which deal with Party discipline.

I would suggest the following solutions to the PLP membership:

1. That the Leader and Deputy Leader of the Party be elected at the same time and under the same conditions as the officers of the Central Committee.

2. That the number of delegates be limited to three (3) per Parish, except for Pembroke, which would have six (6), to reflect the difference in seats for that Parish.

3. That M.P.'s be permitted to sit as delegates.

If the PLP leadership is seriously interested in good government, it would take steps, immediately, to remedy the glaring defects in the Constitution, regarding the selection of a Leader.

Until it does this, the Progressive Labour Party must expect to be regarded, by the general community as little more than an expensive joke.

BERMUDA

NEW POLITICAL PARTY'S STRATEGY OCCUPIES MIDDLE GROUND

Hamilton THE ROYAL GAZETTE in English 13 Aug 85 pp 1, 5

[Text] : The Island's newest political party is planning to call for the people of Bermuda to be given an opportunity to decide if they want independence.

The third party, which is due to be officially launched in two weeks' time, will be trying to line up in the middle ground between the Progressive Labour Party and the United Bermuda Party.

At a two-day workshop meeting on Friday and Saturday, August 23 and 24, their supporters will be asked to give formal approval to the party's platform and policies.

It follows a string of meetings by small committees to draw up the detailed paperwork to officially launch the new party.

"We are in favour of independence being put before the people of Bermuda, so that the people of Bermuda can determine their future," said Supporters for Change spokesman Mrs. Kathleen Bell.

"But, at this stage, I can't tell you how we propose to do that."

The special conference will be asked to approve documents spelling out the party's policies.

One reads: "The party will begin and continue a sincere, genuine process of national determination to ensure equal opportunity for all Bermudians and safeguard our future nationality as Bermudians."

It adds: "Our party will seek to represent the majority view of all Bermudians regardless of colour, creed, age or financial means, and have all Bermudians share equally in the management of all facets of Bermuda's economic development and general welfare."

The two existing parties have publicly said that independence is inevitable, but the PLP believes the country should now start preparing itself for independence.

Public relations officer Sen. David Allen said: "The PLP believes Bermuda should prepare for eventual independence, but it feels there should be preparation first, including education of the populace as to the responsibilities and also the necessary constitutional and electoral reforms."

The UBP believes the need is less pressing. Premier the Hon. John Swan said in an interview last year: "Independence is not a burning issue for me."

"The issue has been laid before the public repeatedly and they do not seem to have placed a high priority on independence."

He said if the people of Bermuda gave the Government a clear mandate he would take Bermuda into Independence, but without a basis of consent it would be fundamentally wrong even to consider it.

Mrs. Bell added: "A new political party for Bermuda will be launched on the weekend 23/24 August."

"We will be holding a comprehensive workshop, seeking to confirm various committee reports regarding our policies and platform, our constitution and our basic structure."

"We will publish all this information as soon as possible after the weekend of August 24."

BERMUDA

GOVERNMENT BORROWED TO OFFSET DEFICIT IN CONSOLIDATED FUND

Hamilton THE ROYAL GAZETTE in English 12 Jul 85 p 14

[Text]

Government was forced to borrow \$3 million from the Bermuda Monetary Authority in December to offset a deficit in its consolidated fund — the Government's cash account.

Details of the loan emerged this week in the Authority's latest annual report which describes the credit arrangement as a temporary advance that was subsequently repaid.

But the loan was not the only result of Bermuda's funding difficulties to show up in the 1984 report.

The Authority's fixed deposits dropped sharply by just over \$8 million last year to \$7.7 million helping reduce balance sheet assets to \$49.8 million against \$56.6 million in 1983.

Explains the report: "There has been a substantial decline in the amount of cash which the Authority has placed on fixed deposit, matching a reduction in deposit liabilities due to Government, local deposit companies and agencies of the Government."

But despite its smaller balance sheet and a \$102,946 loss on the sale of remaining gold holdings, the Authority was able to boost profits last year by almost \$1.3 million.

They doubled to more than \$2.6 million thanks to record investment income of

\$3.6 million and lower expenses of \$1.1 million.

The report says the Authority sold its gold in January last year for \$2.9 million, after losing \$955,282 on an earlier sale accounted for in its 1983 figures.

But the report adds: "Since that time the price of gold has continued to decline and the loss which would have been incurred had the Authority continued to hold its gold, together with the income derived from the investment of funds realised on the sale of gold, has resulted in additional profit for the Authority in excess of \$1 million.

"The sale of the Authority's holding of gold was part of a more active investment policy pursued in 1984 which, despite a decline in interest rates, resulted in a substantial overall increase in investment income."

The report goes on to say that lower expenses were achieved as a result of a smaller number of staff and savings in note and coin costs which declined because of the strength of the US dollar.

"Bermuda's currency notes and coins are manufactured in Great Britain and a rise in the value of the dollar relative to the British pound has enabled the

Authority to reduce the cost of producing its notes and coins in dollar terms," it explains.

●The Authority's accounts payable figures include \$151,164 paid to it in error last year. The amount has since been repaid.



BERMUDA

PLP: CRUISE SHIP SUCCESS HIDES REAL TOURISM PROBLEMS

Hamilton THE ROYAL GAZETTE in English 10 Aug 85 p 1

[Text] The Progressive Labour Party yesterday attacked Government for using the cruise ship industry to disguise problems within the Island's more important regular tourist sector.

In a written statement, Shadow Minister of Tourism Mr. Stanley Morton, said the announced seven regular-cruise ship schedule for 1987 did little for the Island except to create overcrowding on Bermuda's streets.

"One need only have been on Front Street on Wednesday evening of this week, and to have seen well over a hundred disgruntled cruise passengers lining the pavement waiting for taxis for a lengthy period...to see the already existing problem, let alone what will happen in 1986," said Mr. Morton.

He explained that visitors will experience overcrowding in restaurants and shops — that will be forced to give less personal attention to customers — and there will be an increased strain on taxi and other support services.

He said the PLP had researched the tourist industry during the past five years and found that the number of tourists staying in hotels as opposed to cruise ship passengers had declined by 19.1 percent.

"The Tourism Minister has contented himself to use an increase in cruise ship arrivals to camouflage the continued softness in regular, or hotel, visitors."

He said June's total was in fact down by 4.7 percent compared to June five years ago. "One can only assume both the Minister and his Premier are too embarrassed to quote the in-depth figures."

"We in the Progressive Labour Party are deeply concerned that Government is opening the floodgates to cruise ship visitors, with the announcement of the granting of permits to seven weekly cruise ships next year in an effort to disguise the problems in the hotel sector."

CSO: 3298/1016

BERMUDA

SWAN ALONE IN REJECTING SANCTIONS AGAINST SOUTH AFRICA

Explanation of Policy

Hamilton THE ROYAL GAZETTE in English 26 Jul 85 p 5

[Text] Premier the Hon. John Swan yesterday defended Government's position on South Africa in the wake of the declaration of a state of emergency and increasing violence in that country.

Mr. Swan said Government, which allows South African businesses to operate in Bermuda, would not change its stand.

"At this time there is no change," he said. "The Government has not altered its position, but we will continue to monitor events.

"Government is abhorrent to the ideas of apartheid and appalled by the taking away of the civil rights and incarceration of people pursuing a natural and just effort for the rights of full citizenship," he said.

But Government would not cut trade links with the country, which enforces racial segregation between blacks and whites, including forced repatriation to black homelands and denial of the vote.

The Premier explained it was impossible to draw the line of where trade with South Africa ended, when asked if the Government would stop allowing South

African businesses like Minorco from operating in Bermuda.

"Everyone wears gold," he said. "And 70 percent of the gold in the world comes from South Africa.

"Should everyone whip the gold from around their necks and throw it in the ocean? Where do you draw the line?"

He said: "We will do whatever within reason to ensure Bermuda is in step with the trends of world events in alleviating the circumstances of South African blacks.

"But we must look realistically at what is possible."

PLP Position

Hamilton THE ROYAL GAZETTE in English 29 Jul 85 pp 1, 8

[Text]

The Progressive Labour Party last night accused Government of ruining Bermuda's reputation as an international business centre by pandering to South African interests.

And the Opposition challenged Premier the Hon. John Swan to take a firm stance against the apartheid regime by cutting all of Bermuda's ties with South Africa.

"Mr. Swan's feeble attempt to further stall any possible action by saying he has to protect Bermuda's economic interests first is nothing less than a monumental red herring," said PLP spokesman Senator David Allen.

"The Premier should come clean and admit that far from protecting the economic interests of the country as a whole he is merely protecting the narrow, vested interests of a few of his UBP colleagues, notably those in the law firm of Conyers, Dill and Pearman, which represents Minorco, the leading overseas investment arm of South Africa's largest companies."

"Bermuda's name as a country and as an international business centre is also being smeared through Government's hosting of South African business interests which have profited from apartheid's blood money," he said.

The Senator said Bermudians had struggled to end racial injustice at home, so it was inappropriate for Government to give even tacit approval to the South African regime.

"Mr. Swan has long said he intends to demonstrate leadership, but his stance on economic sanctions against apartheid, in which he has said he will 'wait and see' what other countries will do, and 'monitor' the situation, speaks of weakness and lack of moral commitment, not leadership," he said.

"If Mr. Swan really has the ear of the White House, as he claims, then a positive attitude on economic sanctions will at least be noted."

Senator Allen said it was intolerable for Minorco's lawyer Senator the Hon. Charles Coliis to be a Cabinet Minister and for Bermuda's international advertising agency Foote, Cone and Belding to have a South African partnership.

He called the Premier to take action on all these issues and to associate himself with Commonwealth Secretary-General Mr. Shridath Rampal's recent comments on the South African situation.

■ On a related note, the local Anti-Apartheid Group is sending Mr. Rampal a telegram signed by eight groups supporting his call for economic sanctions against South Africa.

"We urge him to continue the struggle and pledge our unyielding support until South Africa is free of apartheid," said Anti-Apartheid Group spokesman Mr. Glen Fubler.

Coalition Group's Stand

Hamilton THE ROYAL GAZETTE in English 30 Jul 85 p 1

[Text] The coalition of Bermudian groups opposed to apartheid have hit out at Premier the Hon John Swan's refusal to sign a telegram calling for economic sanctions against South Africa.

And the coalition--including the Progressive Labour Party, Independent Members for Change, all of the Island's unions, and the Anti-Apartheid Group--will meet with the Governor this morning to give their opinions to him.

Anti-Apartheid Group spokesman, Mr Murray Brown, said the coalition asked Mr Swan on Thursday to sign the telegram supporting Commonwealth Secretary General Mr Shridath Rampal's call for economic sanctions.

"The Premier has said he is unwilling to endorse a call for economic sanctions," said Mr Brown. "We're disappointed that the Bermuda Government will not support the Commonwealth's call for economic sanctions.

Mr Swan said yesterday government was not prepared to change its position at this time.

Mr Brown said yesterday that the coalition will meet with Viscount Dunrossil this morning, "to express our concerns about the current crisis and ensure our views are represented."

"He is the representative of the British Government here and will forward the views of the coalition," said Mr Brown.

CSO: 3298/1016



BERMUDA

SWAN CLAIMS ECONOMIC RECOVERY; OTHERS DIFFER

Dispute Over Economy

Hamilton THE ROYAL GAZETTE in English 8 Aug 85 pp 1, 3

[Text] Premier the Hon. John Swan yesterday said Bermuda had weathered an economic storm and was now firmly on the road to recovery.

But Chamber of Commerce President Mr Leonard Gibbons and Opposition leader Mrs Lois Browne Evans were quick to dispute the premier's claim, saying the island is still stuck in an economic downturn.

Mr Swan said: "I don't wish to hold doom and gloom over the head of the public all the time. We can look forward with optimism if we continue with the same economic objectives for the country.

"We are now coming out of the trough. We have started slowly heading up the other side of the trough."

But Mr Gibbons said: "We are not going up the other side. Retail sales are off and the government is too quick to compare us with last year.

"If you look at the boom year of 1980 there is no comparison," he said.

Mrs Browne Evans complained: "The lot of the poor man has not been made any better by the government of Mr John Swan.

"Things are just as tough. The pay packet doesn't stretch any further, and people are still on the waiting list for houses. We are not getting a good return on our dollars.

"Government has been doing all kinds of piece-meal stuff to raise money without even looking at the fairest method of taxation."

She said income tax had been identified several years ago by a government consultant as the fairest method of taxation, but it had not been recommended for Bermuda.

Mrs Browne Evans added a national lottery would be a last-resort way of raising cash and should not be used by government.

In an interview yesterday Mr Swan praised residents for "more realism" in labour relations.

He said: "We were able to proceed with a balanced budget and we are still moving in that direction.

"We have had to do a certain amount of tightening up of exchange control and of credit through the banking system.

"I think we have gone to the Bermuda public and made them aware of some of the restraints they need to exercise. There has been far more realism in labour and management relations and there have been no strikes.

"I think there has been a tremendous improvement in the courtesy shown to our visitors. Measures have been taken by all sectors of the community to ensure that we do remain competitive."

He said Bermuda could now measure its success against industrialized countries in Europe and North America.

"We don't compare ourselves to the Caribbean any more. Now we compare ourselves with the best of the industrialized countries. We are doing remarkably well.

"But we must recognize that our economic well-being and our society is very fragile," said Mr Swan.

Mr Gibbons added he agreed with everything Mr Swan had to say except that the economy was beginning to turn around.

When asked when he thought the economy would recover, he said: "I don't have a magic wand but the people I have spoken to have suggested we're on a plateau.

"We should be very encouraged to see two percent growth per year in the future," he said. "We'll be lucky to see 10 percent again."

He said the construction industry had reduced growth and there had been lay-offs there and in related industries.

"The exempt companies are stagnant if not still in decline," he said.

"I think Bermudians are tightening their belts and restricting themselves but it will take continued belt-tightening before we recover."

Swan on Successes

Hamilton THE ROYAL GAZETTE in English 8 Aug 85 p 5

[Article by Joe Weber]

[Text]

Premier the Hon. John Swan yesterday insisted Government's no-frills blueprint had survived a stormy Parliamentary year virtually intact.

Opposition leader Mrs. Lois Browne Evans was less kind. She dismissed the successes as unimportant, and said only limited goals had been set in the first place.

But Mr. Swan was convinced that Government's record during the last year deserved top marks.

He said Government had succeeded in meeting most of the goals it had set itself in the Throne Speech delivered by Princess Margaret in October last year.

"I'm happy with it," he said. "We have seen a renaissance in our tourist business, we have made progress with housing, and we have pretty well finished phase one of the St. Brendan's redevelopment.

"We have finished the senior training school and female prison, we have Astwood Cove Park in full operation, we have instituted some additional recreational summer programmes for young people.

"The St. George's Golf Course is about to be officially opened, the Coral Island Club is being torn down for redevelopment and the cost of airline tickets to Bermuda has been reduced."

But Government has failed to achieve all of its goals.

Three promised pieces of legislation were dropped from the Parliamentary agenda, including controversial amendments to the Human Rights Bill designed to help disabled people.

But this is to become a priority within the Ministry of Community and Cultural Affairs where comments from the National Association for the Handicapped and employers are being studied.

Long awaited new labour relations laws also failed to appear, and consultations are still taking place with trade unions and employers.

And Government faced complaints that a last minute rush of legislation was preventing Parliamentarians from giving the new laws proper scrutiny.

"That's nothing new, and it happens everywhere," said Mr. Swan. "In the US Congress the budget was pushed through at the last minute, and in the UK the House of Commons has been trying to clear its agenda before the summer recess.

"There was no major piece of legislation pushed through Parliament. A lot of the legislation was really amendments, adjustments and attachments that were being dealt with."

"All of the substantial legislation that went through this session was laid on the table well in advance and members were given plenty of time to study it."

He added: "Very few countries, which are even ten times our size, would require the amount of legislation we need, because we deem it appropriate to have an orderly society and we have a sophisticated society."

It was a Parliamentary year containing some surprises though.

Four expelled Progressive Labour Party MPs re-grouped as Independents and fought to establish themselves as a separate group, rather than merely a shadow to the official opposition.

They played an active role in many debates as well as bringing forward their own motions.

Government also ran into battles with its own back bench.

New firearms legislation had to be watered down after facing stiff opposition, and Government was severely criticised for allowing Club

Med to take over the Loews Bermuda Beach Hotel.

The back bench later flexed its muscles and threatened a revolt over a bill giving taxi drivers a tax subsidy and demanded Government give similar concessions to fishermen.

The Throne Speech had been bitterly attacked by the PLP which complained Government had brought Bermuda to the brink of economic and social shipwreck through ill-conceived and mercenary policies.

Mrs. Browne Evans had called for a review of the Island's tax structure and said there was not enough concern for the weaker members of society.

Yesterday she added: "They are just fooling people. Their limited objectives may have been achieved, but it's really not good enough."

Mr. Swan said: "We saw the shoals coming and we navigated around them. We are prepared to admit there were shoals before we did something about them."

"I must emphasise that Government has virtually achieved everything it said it was going to do, and more besides."

"But the way governments operate is that priorities change from day to day, and any carefully laid plan is bound to be altered."

"The Throne Speech is a plan for the Parliamentary session. However, if a Government is dynamic priorities change and there has got to be a response to the demands of the populace."

"You have got to recognise that as you go along you have to add things to your agenda."

Extra debates were added to the Parliamentary time-table as the Independent MPs proposed motions and Ministries tabled various reports.

Mr. Swan listed achievements in the policies spelt out in the Throne Speech:

■ Bermudian home ownership had been vigorously promoted with the Housing Corporation, the West End Development Corporation and private developers building many houses.

■ Education had been under close scrutiny and recommendations in the Page Report were being carefully studied.

■ Major efforts had been made to rebuild the tourist industry.

■ The full reports into the Royal Commission into the Use and Misuse of Illicit Drugs and Alcohol have been widely debated.

■ High priority had been given to the provision of a new refuse and sewage disposal plant and plans had been widely discussed.

■ Plans for a new sports facility at Frog Lane have been completed.

■ Police establishments, organisation and equipment had been examined to help them combat escalating crime.



BERMUDA

BRIEFS

SLOWED INFLATION--Bermuda's annual rate of inflation is slowing. It dropped to 3.5 percent for the twelve months in June against 3.8 percent for the year to May. The increase in June was 0.3 percent. Government's statistical office reports that June's food index rose 1.1 percent reflecting higher prices for meals bought in restaurants and cafes. The rent component, says the statistics department, increased 0.3 percent, clothing and footwear went up 0.4 percent, household supplies and services 0.1 percent and health and personal care advanced 0.3 percent. Reductions were reported in tobacco and liquor prices (down 0.1 percent), fuel and power costs (down 0.7 percent) and transport and vehicles (down 0.2 percent). The education, reading and recreation index showed no change in June. Though the overall trend is down, the services index, which reflects locally-produced inflation, is still running well ahead of imported manufactured goods. Import prices rose 2.1 percent for the year to June, while services advanced 4.7 percent. [Text] [Hamilton THE ROYAL GAZETTE in English 5 Aug 85 p 19]

CSO: 3298/1017

BRAZIL

SARNEY'S ADMINISTRATIVE STYLE, CONCERNS, PRIORITIES VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Aug 85 p 2

[Article by Carlos Chagas: "Sarney says his Mission is to Avoid Clashes"]

[Text] President Jose Sarney declared Thursday night that a civilian democratic government willing to consolidate democracy can never behave as a tutor or master of the country. Much less can a president of the republic, chief of that government, allow himself to relinquish his responsibilities, delegate major decisions to his aides and allow himself to be carried away by specious polls which conclude that the government is not doing well but he is doing very well.

As far as Sarney is concerned, if the government is not doing well the president necessarily is not doing well either. The reverse is also true: If the president is doing well in a democracy, it is because the government is also doing well. He is pleased with the polls revealed since he assumed the presidency with respect to his popularity, which reflect the popularity of the government. He points out that things are different now. No longer are there isolated decisions in the Executive Branch, much less those made by certain ministers when they assumed control, authorship or responsibility of certain policies. He is responsible, he decides and he seeks, within the picture, still difficult and filled with obstacles, the best conditions capable of conciliating and assuaging society. He believes this is his primary mission: Avoid clashes, which in the recent past almost led Brazil up a blind alley. He does not allow in his administration the existence of ministers who become masters of decisions and come to him and say: "Leave it to me Mr President, do not worry, if my policy does not work, I shall be to blame and you can dismiss me."

The president had dinner with the directors of O ESTADO DE SAO PAULO, JORNAL DA TARDE and RADIO ELDORADO and he explained his thinking about the economic plan. The present economic policy is his, his work, his responsibility and his decision. It is not that of the Minister of Finance, Minister of Planning or that of special adviser Luis Paulo Rosenberg. It is not, as some critics says, an undefined and amorphous policy. On the contrary, it is made up of three basic guidelines: prevent recession, promote economic growth of around 5 percent per year and control inflation and reduce it. He emphasized that it is inadmissible to adopt formulas which

make rates of inflation come down but cause a recession. We shall no longer support that practice, which is responsible for unemployment, impoverishment and a decline in private activity, the driving force for promoting development.

It is obvious, as he emphasized, that if we were to face an accelerated rise in inflation, a hypothesis he does not believe, he would not hesitate in adopting the hardest and most drastic measures. His concern is the maintenance of the greatest decision making controls, even though recognizing he is not an expert in economy. He does not have to be, being a politician. His advisers at the palace are greatly needed to help him decide, particularly when many times different and even conflicting solutions come to him from the different ministers.

Sarney does not see any great difficulties with the IMF or creditor banks. He remains steadfast in the theory that Brazil does not represent an economic risk, taking into consideration the functioning of our economy. It could become a political risk if we adopt measures capable of generating a recession. What is seen in the country, however, is the reheating of economic activity, a decline in unemployment and the resurgence of confidence. There are differences of speed with the IMF, but since our position changed toward them, theirs also changed with respect to us. We reduce state spending, according to the president, not because of intervention by the IMF, but because we believe the reduction to be necessary. This was a matter of our own decision, like others adopted. Short term lines of credit with our creditors were extended within the normality generated by our economic conditions, and arrangements with the IMF are being processed in a very favorable way. The new reality is based on the fact that since a political, democratic and civilian government is in power, he reiterates, the time has passed when we subordinated ourselves to technicians, who periodically arrived in Brasilia to audit our accounts and our numbers.

The same point of view applied to the economy applies to politics, according to him. The ministries, which he received already formed from Tancredo Neves, reveal a complex of different forces. He, therefore, has no intention of changing them, although obviously, he acknowledges that if it had been up to him to form the ministries, they would have been different. Personal factors and political viewpoints of each of them, leads to the makeup of different teams. He is, however, satisfied with the functioning of the ministries. It never entered his head to change them in December, as was published by some newspapers. In that respect, he attributed the reports to persons who wanted to be ministers. He has the constitutional right to name and dismiss whoever he wants in his circle of aides, but believes that the best solution for national conciliation resides in the operation of a team in which the different forces sustaining his government find themselves represented.

He said that he could, as has happened in the past, try to form a party, take advantage of the natural conditions of the terrain, which are characteristic of times such as these, but he chose to go ahead without interfering. The

national interest is high above personal and group interests. It is society, through its various sectors, which is active and participates, pointing out general directions to the government. Just as society chose a policy of growth on the economic level, it also made it clear that conciliation and political compromise are the best paths. One factor is obvious within the context in which we find ourselves: The different social forces accept that strategy. They do not become radical and they show themselves to be understanding. His duty, therefore, is not to seek a certain personal stamp for his government first, but to receive the input of the various sectors and help, little by little, in the configuration of the characteristic that will truly express consensus and democratic consolidation.

The president talked informally, on the principal subjects of the time, praising the work of Foreign Minister Olave Setubal, saying that in the case of agrarian reform the government avoided a serious crisis, acknowledging that no government will resolve all national problems, avoiding casting stones at the past, but not hiding the fact that he received an inheritance laden with vices and distortions, and exalting the role of private enterprise. He told how he was responsible for including the subject in the document of the Democratic Alliance, when at Marco Maciel's apartment and in the presence of Tancredo Neves, Ulysses Guimaraes, Aureliano Chaves, Freitas Nobre and others, he maintained that the PDS [Social Democratic Party] dissidence would have nothing more to do at that place if it did not include in its pledge to the Nation a specific reference to the role of private enterprise and the abolishment of state ownership of companies.

8908

CSO: 3342/254



BRAZIL

PROBABLE FUTURE COURSE OF FUNARO'S ECONOMIC POLICY ANALYZED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 85 p 48

[Text] The first change in the ministries put together by Tancredo Neves, initiating "Sarneyism," according to the definition by the chief of the Civilian Household, Jose Hugo Castelo Branco, continues to have repercussions. Although all may agree that "it is still too early" to foresee the position Dilson Funaro will adopt in the Ministry of Finance, some analyses are already possible.

The president of the Itau Bank, Jose Carlos de Moraes Abreu, attributed to the actions of Dornelles the merit of putting the deficit of the state sector in evidence. Since the government proposes "an implacable fight" against that deficit, Abreu believes "in conditions for the reduction in the rates of interests," which will make possible new investments.

In the business area, the changes were well received, although some such as the President of SENCO, Ricardo Semler, pointed out "the lack of technical baggage of the new minister." Less trusting, economist Carlos Longo of FIPE believes, however, that nothing changed: "Only the academic-ideological differences within the government ended."

"With one Foot on the Price Freeze and Faith in God"

That is how a Sao Paulo economist describes the economic line of the PMDB, which the Sarney government will adopt after the inauguration of businessman Dilson Funaro in the Ministry of Finance. He is more in tune with the ideas of Minister of planning Joao Sayad. It is a line, which in his opinion is based on very generalized points, "which allow recovery," coherent in ideology but without a technical framework. In other words, he adds, it is the line of the government of Montoro transferred to Brasilia. "A guideline for development with a battle against inflation very close to that adopted by former Minister Delfim Netto."

The same economist, who prefers not to be identified, emphasizes that a phase is coming of many consultations and that Minister Funaro is going to have to make decisions but he will depend greatly on his advisers, since "he does not have any great technical-economic experience, not even in the administration of private companies." At the same time, the new president of the Central Bank, Fernaldo Brás, who he considers "a competent man," will have little maneuvering space and his influence will be mainly in the problem of the renegotiation of the foreign debt.

Marcel Solimeo of the Getúlio Vargas Institute of Economy of the Commercial Association of São Paulo, does not believe that there will be a substantial change with the exchange of Dornelles for Funaro, "because the economic policy belongs to the president." The problem, he says, is that President Sarney has not yet sufficiently established what his economic policy is, but has only established a goal of 5-percent growth in the Domestic Gross Product "without making it clear how it is going to be compatible with the fight against inflation."

The return to price controls is a "surrender" by Dornelles, while the promised reduction of interest rates "will not be anything so significant and lasting."

Mainly the lack of control of state finances continues, adds Solimeo. Further on, however, something is going to have to change, he warns. However, the great change comes from the uniformity of the language of the government economic team, "previously there were two languages and a policy different from either of them." After that, however, something is going to have to change "because the return of inflation is not episodic," he warns.

"In the short term we are to do a patch job. I believe that the good rate of economic activities will be maintained for some months. However, the time for curbing the public deficit and attacking it will come. There the government will have to adopt the policy that former Minister Dornelles preached, because elasticity has limits and foreign creditors will be more demanding with respect to the performance of the economy in 1986," concludes Solimeo.

In turn, Carlos Alberto Longo, of the University of São Paulo Economics Research Foundation Institute, does not yet glimpse a set line of behavior in the economic area but observes that "no minister has a plan that can convince the Executive Branch to take courageous steps." Longo believes it is indispensable to have a policy of shock such as the one adopted by Argentina. "Without that, as of January, inflation will be at 13 to 14 percent per month, 400 percent per year," he warns. However, in his opinion nothing changes, only the academic-ideological differences in the government have changed.

"No longer is there talk of cutting the public deficit, and we shall have trouble renegotiating the foreign debt without first tidying up our house, Nothing is done in the area of tax reform or the PND [National Development Plan]. In the question of the unification of budgets, the government is well advanced, however, it is doubted that it will have the courage, for example, of promoting a monetary reform. Interest rates will be lowered by means of a pact, but that is a short-term measure," observes the economist. To him the moment demands structural reforms, monetary, banking and tax reforms, such as the ones adopted in 1964 and 1967.

#### Businessman Believes Rosemberg is in Command

The moment of ministerial change was politically astute in the opinion of Ricardo Semler, president of Semco, because President Sarney, as well as Minister Dornelles, knew of the inflationary explosion, which became the fault of the former minister, who after resigning returns to the hope of reversing the process. "Funaro enters into that space. He does not have any technical baggage but he is part of a political rightness. He has his own ideas, but he does not oppose being directed by Rosemberg, the true master of the economy," declares the businessman. Standing in the middle of the economic and political lines, Funaro marks, in his opinion, the end of the monetary policies of Delfim Netto and Dornelles.

Despite being "out of style," the old economic school does not appear to be finding a substitute, according to Semler. Among the inconsistencies of the new economic policy he points to the incompatibility of seeking a growth rate above 5 percent with 200 percent inflation. "To say that it is not necessary to worry too much about inflation, may mean another leap in levels, like the one from 90 percent to 300 percent. Conditions do not exist today for allowing inflation to be considered lightly because it would mean a dangerous leap. That is a rhetoric that suits the moment," he adds, mentioning the November elections and those for the Constituent Assembly.

In his opinion, the ministers for the moment are going to "slide around with words," while economic growth is going to be eroded by inflation. But he does not believe there will be substantial changes because the functions of the new minister of finance have already been diluted. The great change will come, according to him, "When President Sarney changes the ministries from center-left to center-right.

#### Change

As far as businessman Boris Tabacof of the Suzano Feffer Company is concerned, the new configuration of the ministries brings great optimism and the changes foreseen in the direction of the economy inspire confidence. The main change will be a more pragmatic attitude of the economic-financial authorities. "Instead of adopting a dogmatic attitude with theoretical and conceptual formulas, the different variables are being administered in a practical manner," he says, recalling the meeting of the CMN [National

Monetary Council] for adopting specific measures such as the return to the system of monetary correction. Another demonstration of the executive attacking a problem is the dialogue with bankers on lowering rates of interest instead of waiting for the laws of the market to act by themselves. "It is useless to try to attack the Brazilian problems with orthodox attitudes of balance and renewal of investments through monetary measures imposed by the FMI in recent years."

In his opinion, monetary control is not only a painful path but also ineffective. It does not mean the abandonment of control of the public deficit but the understanding that by itself it does not resolve anything, in addition to provoking a recessive process without the counteraction of halting inflation. In that respect, Tabacof does not consider the 14 percent inflation rate of August as typical. "It is only the other side of the coin of the artificial inflation below 10 percent of past months. We knew that it was going to explode. It is the return of the scourge and the consequence of the artificial curb of the policy of private and state prices." He foresees an inflation of around 10 to 11 percent for coming months.

The explosion of inflation in August, in his opinion, does not come from monetary imbalances but from the supply. That is why he believes it is indispensable to reestablish production. "The population has grown and buying power has also increased; demand is pressuring while agricultural and industrial production stagnates because of a lack of investments." As a result, Brazil is going to import meat, rice, potatoes, soybeans, proving the imbalance between supply and demand and the lack of incentives for production due to a monetarist policy.

#### Banker Foresees Investments

"While on the one hand I celebrate the new assignments because they are highly qualified people, in addition to being from the private sector, on the other I am sorry because their predecessors were similarly qualified," That is the way the president of the Itau Bank, Jose Carlos de Moraes Abreu expressed himself. He attributed to the actions of Dornelles and Lemgruber the merit of having placed in evidence the deficit of the state sector. The deficit, because it has a financial effect, was maintaining the real rates of interest at unbearable levels, crushing the private sector and preventing new investments, emphasizes the banker.

Now, President Sarney proposes an implacable action in the fight against the deficit, thus creating conditions for the real rates of interest to be reduced to make new investments possible, which is going to bring great social relief, he continues. The reduction in interest rates, on the other hand, according to the banker, resides in the context of a vigorous action by the government in the sense of containing the deficit in the state sector. "It is up to the private sector to react rapidly so as to occupy the space opened by the government through the reduction of the deficit and real interest rates," declares Moraes Abreu.



The banker advocates, on the other hand, the adoption of measures such as the reduction of the tax on loans. It is the intention of the government to reduce real rates of interest from 30 down to 10 percent, that is, down to the level of international interest rates. However, it must not be forgotten that domestically, in obtaining and granting loans, there are taxes of nearly 40 percent on interest, while there are no taxes on international interest. "In addition, by reducing the deficit, if the government does not need to acquire resources on the market, rates of interest fall inexorably, to the great satisfaction of the financial institutions," emphasizes Moraes Abreu.

The president of the Itau Bank also expressed the hope that the government will continue along that same line, seeking to adjust the budget, reduce the deficit and institute the unification of budgets in the coming year. "I see with joy that the conduction of economic policy is heading for unification between President Sarney and his aides," he says.

#### Collaboration

The superintendent of the National Credit Bank, on the other hand, believes that Dilson Funaro and Fernao Bracher are capable persons "as they have already shown in the past." In the opinion of Pedro Conde, the new government team began very well, taking the direction of the reduction in the cost of money. "The banks are going to collaborate in that respect as much as possible," he says. The banker believes the change in the calculation of monetary correction to be very timely and says he is optimistic with respect to the future of the Brazilian economy. "I hope that the new components of the government do what they proposed to do in their inaugural speeches and continue acting as they have up to now," concluded Conde.

#### Agreement with Creditor Should Wait Longer

What changes in the economic policy with the departure of Francisco Dornelles and the arrival of Dilson Funaro in the Ministry of Finance? The first provisions adopted after the swearing in of the new minister Tuesday, and the measures that are still to be adopted, give a faithful picture of the change. There will be a strict control of prices and interest, always under the threat of a general tabulation of prices. Inflation should undergo a reduction as a result. The imports already ordered of 100,000 tons of meat, 400,000 tons of rice and 200,000 tons of raw soybean oil are a demonstration that the new minister Funaro does not wish to play around.

However, it is still difficult to foresee with any degree of certainty what type of posture Dilson Funaro and Central Bank President Fernao Bracher will adopt toward the intransigence--very well known--of the creditor banks and the IMF. There will be more aggressiveness, there is no doubt, but that will not be enough, as was demonstrated by the antecedent of Argentine President Raul Alfonsin, who resorted earlier to the IMF model with the adoption of strict domestic policies and austerity in state spending.

According to the orthodox prescription of the IMF, control of interest rates and prices and the loosening of a wage policy are an unforgivable heresy. In the opinion of the IMF, if the Brazilian economy feels forced to coexist with contradictions of this nature, it is because domestic adjustments required for curing them were not yet implemented. The obligation to reduce the state deficit, the containment of credit and as a result the liquidity of the economy form the "main list" of the basic requirements of the IMF for the client countries preparing to seek help.

The results of Funaro's policy up to December will give the perfect diagnosis of the starting point for the upcoming negotiations with the IMF and the creditor banks, which will actually be initiated and concluded early in 1986. The "structuralist" approach (which completely rejects the IMF prescription), of dealing with the economy now, is based simultaneously on the Ministry of Planning and the Ministry of Finance, there being at the same time an unassuming rejection of the IMF prescription. The truth is that the change of ministers functioned also as a maneuver for "gaining time" until the actual renewal of negotiations with the IMF and the bank committee.

No one in the government will admit it, but if it were possible, there prevails the idea of Brazil dispensing with new agreements with the IMF and seeking to convince the banks that on the external front everything is running in perfect order and for that reason the country will continue to obtain the surpluses necessary for honoring the interest account, while an accord is attempted on a renegotiation for the amortization of the principle on the basis of a rescheduling of \$45 billion, which is the amount due or coming due in the next 6 years.

In short, Dornelles did not have the consensus of the government and independent economists, which Funaro now has more than enough. There was a double command of the economy shared between Finance and Planning, but there may be some unification. The changes incurred, as well as the results, will determine the fate of the New Republic.

#### Development and Control of Interest

The monetarist school, which decided on the direction of the economic policy in past years, does not tend to prevail after the change in the ministry of the New Republic. With a more structuralist formation, although not standardized, the new minister of finance, Dilson Funaro should inaugurate a developmentist period in the country.

Because of the social awareness which always marked his public life, Funaro will certainly not give continuity to the intensive curtailment of state spending because that would imply, in his opinion, a return of the recession, even though on a lesser scale than that recorded during the last 3 years.

Thus the controversy between Minister of Planning Joao Sayad and the resigning Francisco Dornelles also comes to an end. The former minister of finance sought to attack the deficit, first by means of reducing spending

and then interest rates. In agreement with Sayad, Funaro also does not place so much importance on the state deficit, concentrating more on servicing the debt.

It is foreseen, therefore, that there will be a looser economic policy, because certainly the monetary policy must be less importance as an element of control. At the same time, because of his practical knowledge as a businessman and because of the experience as the head of business organizations, Funaro, in consonance with Sayad, considers an attack on interest rates a priority.

However, even advocating a type of gentlemen's agreement to lower interest rates, isolated measures are not being considered, and as is clearly shown in the outline of the National Development Plan issued by Sayad, the economic authorities lean toward a looser monetary policy linked to the covering of the deficit with outside capital (new money). In that way, no matter how structuralist he may be, Funaro should not adopt a type of state deficit financing based only on a greater issuance of money, but rather one linked to money from abroad. Despite it being theoretically valid, the idea is already beginning to receive criticism because its opponents declare that a greater issue of money means an increase in inflation.

At any rate, the new minister has already taken office with an explosive inflation threatening the initial goal of 220 percent for the year. He immediately initiated an administrative style, dynamic for some, because after being sworn in he called an extraordinary meeting of the National Monetary Council, returning to the old form of monetary correction equal to inflation, freezing prices and importing products, also encouraging savings to the detriment of other measures, to minimize the spread and cause a psychological effect on interest rates.

For others, Funaro is more political, choosing to conciliate, heeding reports and orders of the party, observing and seeking to command the consensus. All appear convinced, however, that even in view of the possibility of a rise in inflation, Funaro's option will be for growth even with an inflationary pressure and only afterward try to fight inflation.

8908

CSO: 3342/255

BRAZIL

FINANCE MINISTER TO PROMOTE ECONOMIC GROWTH; BIO DATA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Aug 85 p 39

[Text] The new minister of finance, Dilson Funaro, said after being officially invited to the post, that he will follow the economic policy of President Sarney, aimed at renewing development on the basis of 5 percent per year, avoiding recession and intensifying the war against inflation, at the same time that foreign commitments are met on conditions that will not cause unbearable sacrifices for the country. Funaro indicated that reduction in interest rates is one of the priorities of his administration but said that he has not yet studied the methods, which will be discussed with the other ministers of the economic area, as will be the topic of possible changes in monetary corrections.

The new minister declared that one of the concerns of the government is that of increasing savings and sustaining growth with investments of fixed capital. Dilson Funaro denounced the high returns of non risk capital and observed that the high rates of growth confirmed in the past concluded by prejudicing the fight against inflation. Despite the problems of inflation and interest rates, the situation of the country in the economic sector is considered satisfactory by the new minister of finance because industrial production is growing and the same is happening in the agricultural sector, the prices of products being maintained.

Funaro revealed that he did not hesitate for a moment in accepting the invitation and he praised the effort by President Sarney and his commitment to Brazilian society, with priority for the social sector. The minister of finance said that the cuts in state spending were being made properly by former Minister Francisco Dornelles, although he still needs time to make a complete study of the problem. There was seriousness in the reduction of state spending, added the new minister, who also reiterated that the same applied to the way in which President Sarney faced the renegotiation of the foreign debt.

Minister Dilson Funaro said he has already practically selected his main advisers, but he would not reveal their names nor that of the future president of the Central Bank, to be discussed today with the head of government. He added that the government is going to defeat inflation "with great seriousness and hard work, listening to politicians, businessmen and



workers." The new minister revealed he favored the maintenance of the policy of containment of prices, but admitted that the thawing of prices and services of the state sector contributed to the reappearance of inflation in August, with a possibility that the same thing could happen in September. Funaro added that he does not fear a hyperinflation in Brazil.

He is a native of Sao Paulo, 52 years of age, up to yesterday president of the National Economic and Social Development Bank (BNDES). After assuming the position in the BNDES, with Andre Franco Montoro Filho as vice president, Funaro concerned himself with providing help in credit to small and medium businesses and he announced a new direction for bank loans, which according to him would go to help the industrial projects capable of offering the most jobs.

In his inaugural speech upon assuming the presidency of the BNDES on 16 March, he declared he is a man "accustomed to rowing against the wind," promising to join forces with President Tancredo Neves--who was in the Hospital de Base in Brasilia--and with Minister of Planning Joao Sayad, who at that time was swearing him in.

Dilson Funaro is an engineer, a member of the administrative council of Mangels Industrial S/A, president of the VASP [Sao Paulo Airline] council, and former secretary of planning of Sao Paulo under Governor Abreu Sodre. He is also president of the toy factory Trol S/A Industria e Comercio, of which the BNDES has 16 percent of the nonvoting stock. Funaro is a brother in law of Deputy Eduardo Suplicy (Workers Party).

#### Cancer

In a statement to the magazine EXAME, dated 21 August, Eilson Funaro confessed that a doctor removed two cancerous tumors from his neck and armpit. That happened before he was 50. "In the hours of waiting for the examination, in those interminable hours, people mature, make a review of their lives; they may acquire a new view of things," he says, "I felt I was half here and half from a step to eternity. Therefore, perhaps because of that I felt that I was maturing, that I was growing in life, although in a sad and painful way."

Funaro adds: "But as I improved, I made it a point to go to the factory, to carry out the most normal life possible. I heard that from all the doctors and at all times: The important thing is not to give in to illness." He wrote: "Actually coexisting with death is not impossible nor so terrible. But no one goes to Vietnam and returns the same as he was before. I, at least, changed a great deal. I learned to live, to consider small things smaller still."

Finally, Funaro says that all problems were overcome, so much so that for the past 2 years he has lived "without any restrictions," and as president of the BNDES, "an enormous bank," he worked from 0800 to 2230, staying 2 days in Brasilia, 3 in Rio (headquarters) and 2 in Sao Paulo. Yesterday Funaro said that inflation is a cancer that can be overcome.



## Prices

"If I were in the government, my first move would be to renegotiate wages normally and freeze all prices for 90 days," said Funaro on 14 February, when he received the title of "Mr 1984" created by the Tres publishing house.

8908

CSO: 3342/254

BRAZIL

## BIOTECH RESEARCH ACTIVITIES IN AGRICULTURE, HEALTH VIEWED

### Production Increase Guaranteed

Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Aug 85 p 22

[Article by Helio Belik]

[Text] The mills processing sugar cane in Alagoas and the soybean planters in Parana have succeeded in doubling their production and reducing costs by substituting microorganisms for chemical insecticides and poisons in the battle against farm crop plagues. The introduction of a fungus on Uruguayan pastureland made it possible to increase the production of beef from 40 to 400 kilograms per hectare per year. Researchers and laboratories in Rio Grande do Sul, Rio de Janeiro and Sao Paulo are on the brink of discovering efficient vaccines against foot and mouth disease, Chagas' disease and malaria.

The main agent responsible for all of these triumphs is biotechnology. This is a generic term used to describe the manipulation of living organisms. It is a new science introduced in 1973 along with genetic engineering, and is the perfect combination of laboratory techniques, high industrial production and environmental control. Termed "the ultimate scientific and industrial revolution of the century" by the Japanese, the key researchers in this field, biotechnology is defined as the application of engineering principles to biological processes, for the purpose of converting natural resources into forms adapted to serving human needs.

Along with data processing, biotechnology is regarded as a strategic tool for the resolution of major national problems in the areas of health, food, agriculture and environmental preservation. Pedro Motta de Barros, 47, director of the Department of Science and Technology (DCET), under the State Secretariat for Industry, Commerce, Science and Technology, explains that with the expansion of the farm frontier of the country alone, it would be impossible to increase the supply of foodstuffs at a rate consistent with the needs resulting from population growth. Biotechnology offers a rapid, economical and fantastic means of increasing the productivity of crop and pasture areas through the biological control of crop diseases and plagues.

## Applications in Medicine

In the realm of medicine and public health, biotechnology is the great alternative available for the speedy and accurate diagnosis of tropical diseases such as schistosomiasis, malaria and Chagas' disease. Based on human cells, biotechnological processes are contributing to the large-scale production of medicines and antibiotics which were formerly very expensive because of the high cost of extracting substances and production. This is the case with insulin and interferon, a powerful weapon against cancer. With regard to insulin, it is possible today to provide bacteria with specific genetic data in order to produce the substance in large quantities. The traditional method requires obtaining the pancreases from thousands of swine and cattle in order to produce a small quantity of insulin.

But the benefits of biotechnology do not end here. Culturing vegetable tissues in the laboratory may lead to the development of new types of plants which are more productive and resistant to weather factors. Prof Mario Camargo, 63, of the Institute of Tropical Medicine at Sao Paulo University (USP) says that with genetic engineering, it is possible today (and we are in the process of doing so) to discover monoclonal antibodies to combat cancer cells. Ecologists too will be happy to know that it is now possible to put an end to industrial residues which pollute by means of bacterial fermentation of the raw material. The Sao Paulo Technical Research Institute is studying ways to convert bagasse (the highly polluting residue of sugar cane) into methane gas.

With resources allocated by the Ministries of Agriculture, Health, Education and Science and Technology, biotechnological research in Brazil is advancing rapidly. Johanna Dobereiner, 60, a researcher at the Brazilian Agriculture and Livestock Research Enterprise (EMBRAPA) in Rio de Janeiro, discovered the "azospirillum" bacterium last year, which fixes nitrogen in pasturage modules, thus increasing the production of forage. Prof Isaias Raw, 58, is studying a new improved vaccine for mumps and diagnostic tools for thyroid insufficiency at the Butanta Institute in Sao Paulo. Geneticist Joao Lucio de Azevedo, 48, is pursuing research on the biological control of crop pests such as locusts and ants at the Luiz de Queiroz Higher Agricultural School (ESALQ) in Piracicaba, Sao Paulo.

## Innumerable Practical Applications

Genetic engineering, the culturing of animal and vegetable tissues in laboratories and fermentation technology form the tripod supporting biotechnology. Fermentation was understood as early as 6000 B.C. by the Sumerians and Babylonians, who produced a kind of distilled alcoholic beverage. Later the technique was mastered by the Egyptians for the production of breads. And in 1929, Alexander Fleming discovered penicillin on the basis of fermentation processes.

Genetic engineering is one of the practical applications of molecular biology. And the main tool in genetic engineering is the DNA (recombinant deoxyribonucleic acid technique), which involves the synthesis and insertion of genetic segments in other cells in order to develop specific chemical

11 October 1985

substances. All of the genetic instructions for the organism to which it belongs are encoded in the spiral structure of the DNA. With this technique of recombining messages mastered, researchers moved on to the use of modified cells to alter the structure of disorganized cells, such as cancer cells.

The culturing of tissues, also a result of the development of molecular biology, makes it possible to increase the production of plant seeds or seedlings. With the traditional methods, a long period is needed for the development of sexual organs, fertilization, the development of seeds and maturing for planting. With tissue culturing, a corn seed with a normal cycle of 5 months can be ready for planting in 90 days.

Every day, new enterprises are beginning research in biotechnology. Internationally, there is now a list of 2,434 enterprises with projects in this field. And in Brazil, apart from the fermentation industries, some firms are already offering biotechnological products on the foreign market. BIOBRAS, headed by Marcos Luis dos Mares Guia, 50, which has its headquarters in Montes Claros, a municipality located 407 kilometers from Belo Horizonte, in Minas Gerais, is producing enzymes extracted from animal tissues, cellulose for the extraction of starch from cassava, and human insulin for all of Latin America. EMBRABIO, headed by Miguel Fazzelana Filho and researcher Roberto Silva Waack, is pursuing this same path, developing and marketing biological products for the diagnosis of human illnesses.

The Sao Paulo Secretariat for Industry, Commerce, Science and Technology has already allocated funds totaling 4 billion cruzeiros for research in this field through the State Biotechnology Program, which was established last February. Some projects are already being applied on a large scale, such as, for example, biological control of sugar cane and soybean pests. With the aid of the EMBRAPA, 15 farm cooperatives in Parana are producing their own biological insecticides for use in the raising of soybeans. In the opinion of researcher Johanna Dobereiner of the EMBRAPA in Rio de Janeiro, biotechnology is providing researchers with an opportunity for finding solutions to specific Brazilian problems.

#### Strategic Tool

Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Aug 85 p 14

[Text] Brasilia--"A priority tool for dealing with the country's problems"--this is how Joao Alexandre Viegas, 32, of the Ministry of Science and Technology (MCT) views biotechnology. It is a science, he says, which has taken on a strategic aspect in terms of the economic and social development of the country, due to its effect on the production of foodstuffs, medicines, renewable energy sources and the mineral industry. Viegas heads the recently established Secretariat for Biotechnology at the MCT.

After announcing that in connection with the alcohol program, enzymes are being studied which will make it possible to produce alcohol from wood, Viegas also reported that thanks to the work of Brazilian researchers (the Nussenzweig couple in New York, and Prof Luis Hildebrando Pereira da Silva at the Pasteur Institute in Paris), "mankind is close to eliminating one of the



most serious endemic diseases, malaria, with a vaccine obtained through genetic engineering."

The Secretariat for Biotechnology at the MCT is still in the process of being established. Its head, Joao Viegas, assumed his duties on 14 July, and is still dividing his work week between Brasilia and Sao Paulo. The historian of the History of Science and Technology group at the USP, where he is currently working on his doctoral thesis on "Industry and Technology in Brazil," Viegas was the coordinator of the Data Processing Commission of the Brazilian Society for the Advancement of Science (SBPC), and he participated in the discussions which led to the drafting of the data processing law. He has also served as a director of the Department of Science and Technology at the Secretariat for Industry and Commerce, Science and Technology under the present Franco Montoro government.

In the new body, Viegas hopes to do without any new bureaucratic apparatus which might drain off resources which could be invested in research. His idea is to make the secretariat an extremely small body, operating with 10 individuals at a maximum.

Established for the purpose of formulating a national biotechnology policy, with broad participation by the scientific and business communities, the secretariat will hold the first of a series of meetings in September (with the SBPC, the Brazilian Genetics Society, the Brazilian Tissue Culture Association, the EMBRAPA and the Studies and Projects Financing Commission of the MCT, among other agencies, participating) for the purpose of defining the specific programs. This first meeting will deal with biotechnology oriented toward the production of basic foodstuffs.

#### Food Shortages

"We have serious food shortages in Brazil today, and we believe that biotechnology can contribute to closing this tremendous social gap," Viegas said. He indicated that through biotechnology, it is possible, for example, to develop plants capable of adaptation to adverse soil and weather conditions. "It is possible to develop a bean variety which is simultaneously resistant to high temperatures, a high level of salinity and a limited water supply. This would therefore be a plant capable of growth under the semi-arid conditions in the Northeast."

Another meeting, in which the Central Enterprise for Medicines (CEME) and research institutions involved in the health sector will participate, will define the priority investments to be made by the secretariat in this field. Apart from the fact that, according to Viegas, Brazil already has biotechnological competence for the production of serums, vaccines and immunobiological substances, some private enterprises are now using their own technology to manufacture medicines such as insulin and will now embark upon the development of such products as interferon and insulin itself, through genetic engineering.

At least for the time being, the secretary is not contemplating market reserves. "We need to define segmented policies for very different areas,



such as biotechnology oriented toward agriculture and toward the health field. This effort of formulating a policy is just beginning, and we want it to be pursued in open fashion, as democracy requires."

5157

CSO: 3342/250

BRAZIL

LOW SALARIES, BUDGET CUTS THREATEN SPACE PROGRAM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 85 p 25

[Article by Flavio Nery: "Brazilian Astronaut in Crisis"]

[Text] Electronic engineer, deep sea diver and aviation pilot, Paulo Camilli, 27, was the most highly rated on the six-name list of the men who would become the first Brazilian astronaut. Recently, however, he exchanged the chance to seek adventure in space for something more specific on land: He left the Institute of Space Research (INPE), an agency of the CNPq [National Council for Scientific and Technological Development] located at Sao Jose dos Campos, attracted by a salary he could not refuse from IBM of Brazil in Campinas.

The low salaries for researchers, and the constant budget cuts by the federal government are threatening the take off of the Brazilian Space Program which foresees the launching of four satellites by the end of the decade with nearly 95 percent nationally built technology: two remote sensing satellites and two weather satellites. It is a program with a budget of \$700 million.

The director general of INPE, Marco Antonio Raupp, complains that the institute is losing nearly 15 high-level technicians, who are attracted by salaries in private industry every month. "Since the beginning of the year, we have lost almost a hundred helpers, more than half of them working on the Space program." Those employees are immediately replaced "but the institute loses their accumulated experience and we then have to return to point zero." The solution, according to Raupp, would be that the ministers of the economic area understand that "the reduction of the salaries of public servants is affecting the space program and they would give the research institutes a treatment of exemption." As an average, a high level technician in INPE receives a salary of 3.5 million cruzeiros, while private enterprise offers three times that amount.

The same dilemma is being confronted by the Institute of Space Activities (IAE) an agency of the Ministry of Aeronautics, also located in Sao Jose dos Campos, and which is part of the Space Program. During a visit by President Jose Sarney to the research institutes located in Sao Jose dos Campos early last month, Scientist Jayme Boscov, the director of the CTA [Aerospace Technology Center] Projects Department, told a newsman: "Unfortunately we are not isolated from the economic situation of the country."

The invitation for a Brazilian astronaut to form part of the crew of one of the space shuttle flights in coming years, was made by President Ronald Reagan during a visit to Brazil in 1983. The Brazilian government will have to approve the Brazilian Experiment of Remote Sensing (BREZEX), "otherwise we shall not have a Brazilian astronaut," said the director of INPE. To him "it is important to have the possibility of mastering technology, an intermediate step in obtaining our satellite and continuing in the space race."

8908

CSO: 3342/254

BRAZIL

AUTO PARTS EXPORTS EXPECTED TO CLIMB 12 PERCENT IN 1985

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Aug 85 p 29

[Text] Overall sales of the automobile parts sector should be 20 trillion cruzeiros this year, compared to 8 trillion in 1984. Moreover, exports should rise 12 percent by comparison with the \$1.2 billion obtained last year. The forecast was made by the president of the National Union of Automobile Components Manufacturers, SINDIPECAS, Pedro Eberhardt, who once more advocated the idea of a social pact, required, according to him, to insure the growth of the sector, primarily with respect to exports.

Eberhardt wants, through the pact, to avoid strikes such as the one this year, which in his opinion prevented a greater growth in sales abroad (the first forecast on growth for 1985 was 25 percent). "Three conditions are required for exporting: price, quality and time frames. Brazil compromised much of its reliability in terms of time frames because of the last strike," he declared.

The automobile parts sector, according to him, needs incentives for modernizing its industrial park, "indispensable in order for us to continue to be competitive in terms of technology." Eberhardt revealed that within 30 or 40 days SINDIPECAS will send a study to the BNDES [National Economic and Social Development Bank] on the needs of the sector, seeking special lines of credit. To him, export prospects are encouraging, particularly after the visits by American Chrysler and Ford and French Renault representatives interested in Brazilian products. The sector, which is still operating with an idle capacity of 25 percent, makes 12 percent of its sales in exports.

Saying that "when speaking of exports, we always think in the medium and long terms," the president of SINDIPECAS pointed out the importance of the participation of 15 companies and 45 businessmen of the Brazilian automobile parts sector in the forthcoming Automobile Exhibit in Frankfurt, which begins on the 12 of September. "The visits by the American companies are the direct result of our participation in the Detroit Exhibit in February. The Frankfurt exhibit is the largest in the world of its type, with 1,600 exhibitors and a million visitors. There is no prospect of deals being made, but it is important to be there to maintain the good image of the Brazilian producer," he concluded.

Among the Brazilian companies preparing to participate in the Frankfurt Exhibit are Nakata of Diadema, which produces steering rods and shock absorbers, among other products. "We already export to 43 countries and at this exhibit we shall make more important contacts than those we could make in a year of trips," declared Paul Oba, Nakata exports manager.

8908

CSO: 3342/255



BRAZIL

IMPACT OF NIGERIAN COUP ON TRADE RELATIONS ASSESSED

Important Trade Partner

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Aug 85 p 8

[Article by Carlos Conde: "Brazil Wants to Keep this Good Partner"]

[Text] The Sarney government hopes that yesterday's military coup in Lagos will not provoke any change in the excellent relations between Nigeria and Brazil, relations which have converted that African country into the fourth trading partner of Brazil as of last year. At the time when the coup took place, a high-level PETROBRAS mission was in Lagos negotiating a new agreement for supplies of petroleum. The idea was to increase the Nigerian quota from 40,000 barrels per day to 90,000 barrels. In exchange, Nigeria would be prepared to buy 50 Tucano aircraft from Brazil.

Early tonight Itamaraty reported that all Brazilians living in Nigeria or who are passing through that country were not affected in any way by the coup. The Ministry of Foreign Affairs is without telex communications with Lagos but has achieved contact in Brasilia by means of the U.S. embassy in the Nigerian capital and the Brazilian embassy in Rome.

Last year, due to expanded purchases of petroleum, Nigeria became the fourth trading partner of Brazil, even surpassing Argentina, which traditionally was above any African country in trade with Brazil. The two-way trade totalled \$1.6 billion and forecasts for this year are even better. A meeting of a joint commission was held in May, at which time the two countries accepted the bases for increasing the exchange. It was made evident at that meeting that while Brazil is greatly diversifying its export products, Nigeria was concentrating no less than 98.2 percent of its exports to us in petroleum. It was agreed at that time that Lagos would send a list of products so that Nigeria could also diversify its exports. It was also agreed that a trade agreement would be ratified so that the exchange would become more organized and productive.

The idea that trade this year should exceed that of last year is a reality. A survey by CACEX [Foreign Trade Department] of the first 4 months of 1985 indicates that Brazil has already exported \$376 million and imported \$461 million. It is not believed in the Sarney government that the new group of military men who seized power in Lagos has any interest in changing this direction of bilateral dialogue.

The understandings that have been maintained, stipulating the increase in the petroleum quota and the sale of the Tucanos, may only suffer some delay. Something else that is going to be delayed is the program of joint naval maneuvers. Yesterday the Ministry of the Navy sought to learn if the preliminary meeting scheduled for coming days in Brasilia, at which the date was to be set and the general plans for the maneuvers established, was still going to be held. The information is that this meeting will also suffer some delay.

#### Interest in Weapon Purchases

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Aug 85 p 8

[Article by Roberto Godoy: "Interest in the Purchase of Weapons"]

[Text] Government leaders of Nigeria have frequently expressed an interest in buying weapons from Brazil.

In 1982 that information involved armored vehicles on wheels from ENGESA [Specialized Engineers, Inc.]. Since 1983, armed forces (133,000 men) delegations have made visits to the installations of AVIBRAS [Aerospace Industry Corporation] and in recent months EMBRAER [Brazilian Aeronautics Company] has been sought out by Nigerian officials to deal on the sale of Tucano training aircraft or for the military version of the turboprop 30-passenger Brasilia. Transactions of all type with Lagos, however, always involve the payment of large commissions to the officials of the various steps involved "almost in the proportion of an extra dollar for each dollar actually negotiated," as was explained by a Spanish middleman involved in military defense material, operating in Rio de Janeiro. A medium-level Brazilian contractor, for example, won in an international competition for bids for preparing the land through which a highway was to cross. Value: \$2 million. However, in order to receive the money in Lagos, the businessman was forced to hand out so many and exorbitant tips that at the end of his work his accounts showed a net loss of \$200,000.

8908

CSO: 3342/255

BRAZIL

BRIEFS

PIVA DEFENDS ARMS RESEARCH--"Only 4 percent of the funds devoted by the government to science and technology are used in military materiel research. However, this sector has contributed in a decisive manner to the increase in Brazilian exports." With that argument, Brigadier Hugo de Oliveira Piva, director of the Aerospace Technical Center (CTA), an agency of the Ministry of Aeronautics located in Sao Jose dos Campos, yesterday defended "the allocation of more government funds to the area of weapons." The brigadier spoke at the beginning of a course on space activities for laymen, which began to be taught yesterday by scientists of the Institute of Space Research (INPE) (an agency of the CNPq [National Council for Scientific and Technological Development] which is also located in Sao Jose dos Campos). The majority of the participants consist of journalists and students, who say "this is the first time that a high ranking military man publicly requests the allocation of more funds for military materiel research." The CTA director did not quote figures in his inaugural class, but those present say that according to unofficial figures widely revealed by the specialized international press, Brazil exported nearly \$1 billion in weapons last year and the forecast this year is that of reaching \$2 billion. Brigadier Piva emphasized that "despite the fact that only 4 percent is devoted to that research, in recent years we managed to enter a difficult and restricted market, winning in bidding competitions with nations which are more technologically developed." Despite that, the CTA director mourned "The recent cut of 25 percent suffered by the weapons research sector early this year." To the brigadier "this could mean the cancellation of several weapons programs." Finally, he said he hopes that those funds will be returned because today Brazil is internationally considered a developed nation in the aerospace field. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Aug 85 p 5] 8908

CSO: 3342/254

COLOMBIA

LIBERALS SET POSITIONS ON PEACE PROCESS, CAMPAIGN ACTIVITY

Bogota EL ESPECTADOR in Spanish 5 Sep 85 pp 1-A, 13-A

[Article by Carlos Murcia]

[Text] Official Liberalism and New Liberalism have in recent hours simultaneously established their positions on amending Article 120 of the constitution, on election guarantees and on the peace process, both indicating that the latter is at a serious juncture that calls for major rethinking to avoid failure.

The Central Political Commission and the adjunct directors of Official Liberalism organized a debate in the Senate that was moderated by Guillermo Plazas Alcid and Alberto Santofimio Botero. They looked into the specific complaints that "subversive groups have engaged in intimidating proselytizing in areas of Liberal influence" and called on Government Minister Jaime Castro to appear before the Senate on 18 September to answer a long list of questions on law and order, the status of the peace process and the guarantees that all political sectors will be receiving for the unfettered exercise of political activity during the current campaign.

The Liberal officials indicated that the peace process must continue resolutely and without pause but within the bounds of the constitution.

In addition, the Central Political Commission and the adjunct directors yesterday named two committees to talk with the Conservative Party and New Liberalism about amending Article 120 of the constitution and the Political Parties Statute or Law 58 of 1985.

The members of the committee on Article 120 are: Alberto Santofimio Botero, Carlos Holmes Trujillo, Maria Victoria Maya, Ernesto Samper Pizano, Hernando Agudelo Villa and Horacio Serpa Uribe. The committee to discuss amendments to the Parties Statute includes: Rafael Rivas Posada, Edmundo Lopez Gomez, Guillermo Plazas Alcid, German Bula Hoyos, Jose Manuel Arias Carrizosa and Jairo Ortega.

## Frustration

For his part, the head of New Liberalism, Luis Carlos Galan, yesterday issued a statement announcing his party's intention to take part in the talks on amending Article 120 and to support Alfonso Lopez's proposal to again hold the presidential and congressional balloting at the same time, but only if this new political dialogue includes consideration of a second round of voting.

Dr Galan also had this to say about another issue that is very much in the news: "The predominant feeling in the country about the peace process is, paradoxically, one of frustration, because of the exaggerated expectations that were created through well-intentioned but short-sighted statements."

The presidential candidate last night analyzed the positive and negative sides of the peace process, which he said was today "at a difficult juncture because conditions have worsened seriously in several areas around the country."

In a statement that he read during the ceremony at which he presented the ninth document that New Liberalism has published on the country's problems, Dr Galan said:

"We must distinguish between the peace policy and the strategy for peace. The former has our complete support because it is in keeping with the proposals that New Liberalism has been making since its inception in a bid to put an end to the various forms of violence that have plagued the nation for close to four decades. The latter, that is to say, the strategy for achieving peace, must undergo fresh adjustments and corrections in the wake of the 3 years of many, intense efforts by the current administration. The peace strategy has had undeniable successes and obvious failures. It is not my intention to overstate or understate either. Among the successes have been the gains in law and order in the Middle Magdalena, Caqueta, Putumayo and Meta, as well as the return to civilian life of hundreds of people who availed themselves of the amnesty. Nevertheless, the failures have been more obvious because of the fear and skepticism that the peace process generates and because of the complexity of the circumstances in the Cauca Valley, Uraba, Huila, Cauca and Arauca, as well as because of the increase in the tragic confrontations between the Armed Forces and certain subversive groups over the past 2 months."

Galan stated that at this point, 3 years later, the overwhelming majority of Colombians oppose the armed struggle and increasing numbers believe that social, political and economic change can come through constitutional institutions.

## Mistakes

Dr Galan had the following to say about the mistakes in the peace strategy:

"The predominant feeling in the country about the peace process is, paradoxically, one of frustration. But this stems not so much from the failure of the peace policy as from the exaggerated expectations that were created in the nation through well-intentioned but short-sighted statements."



The fate of a peace policy cannot be determined by one or a few episodes but rather over the complete process, which is necessarily lengthy. It is a mistake to confuse peace merely with an end to subversive activity. Violence has many causes and manifestations. One of the most important manifestations is the conflict with the guerrillas, but it is not the only one. The public order is also seriously impaired by work stoppages, terrorism and common and organized crime, all of which demand specific measures and, above all, clear warnings to the public about the complexity of a situation with these elements. In the eyes of the nation, every kind of violence challenges the peace process, which was conceived only to deal with the guerrillas, who represent one of the four kinds of violence.

"The design, financing and execution of the rehabilitation plans have been slow, incomplete and uncertain, thus prompting skepticism in many regions. The governors of the departments plagued by law and order problems have had neither the appropriate responsibilities nor instruments. Moreover, the nation has not been given clear indications that the administration and the Armed Forces share the same views, in spite of the constant, emphatic claims in this regard. As has been pointed out on several occasions, there has been too much improvisation. The parties were not unambiguously brought into the process, nor did they join it in good faith. Committees and showy gestures proliferated. Several guerrilla groups have obviously acted hastily and irresponsibly, and the predominance of warmongering among them clearly led to a tragic unfolding of events. The nation has unanimously denounced the murder of lone, unarmed policemen, and the kidnappings and extortion, which have now tragically spread to neighboring countries, have seriously damaged the credibility of several guerrilla groups."

Determination to Act

Galan's statement continued thus:

"We have not perceived in Congress a real political determination to spur reforms that would further develop our democracy. The administration was late in submitting several fundamental bills, and in the case of the agrarian reform there was no justification for the delays in drafting a major progressive bill.

"In spite of all the above, President Betancur can still make great strides in pursuing the peace policy that he proposed and has defended persistently and resolutely. Nevertheless, as Colombians we must all persevere in this process, seeing to it that the authoritarians who still believe that the only possible strategy is extermination or the violent resolution of differences do not prevail. The election campaign must not interfere with the peace process. It would be preposterous to seek votes by working for the failure of the efforts that the administration is pursuing. The problem of political guarantees is, of course, fundamental for a free and competitive election campaign. Nonetheless, just as we condemn all abusive pressures to prevent any political group from pursuing its vote-getting activities within the law, we also feel that we must denounce the buying of votes and all of the other vices that impinge on the political freedom of the Colombian people. All political

guarantees must be taken into account, not just those that help or harm specific groups.

"As we have indicated on many occasions, peace is not the absence of conflict; it is the creation and consolidation of institutions through which the various political, social and economic sectors can resolve in a civilized manner the conflicts that always arise in any living, evolving society. As we begin an election campaign in which the fate of the nation will be decided, we must proclaim our support for anything that leads to full reconciliation among Colombians and to a free and genuine charting of the nation's destiny through the expressed will of the people, free from the influence of armed political groups, free from extortions of any kind and, especially, free from vote-buying."

8743

CSO: 3348/953

11 October 1985

COLOMBIA

GENERAL SAYS NATION IS NEXT TARGET OF COMMUNISTS

Bogota EL SIGLO in Spanish 2 Sep 85 pp 1, 2

[Interview with former Defense Minister Gen Fernando Landazabal on Radio Caracol on 1 September by Yamid Amat and Mauricio Gomez]

[Text] Colombia is the next target of international communism, warned Gen Fernando Landazabal yesterday, as he called on politicians to close ranks with the administration and the Armed Forces and take thorough action against those who have refused to avail themselves of President Betancur's peace policy.

In a lengthy interview with newsmen Yamid Amat and Mauricio Gomez, the retired general discussed various aspects of the domestic situation, responded to the rumors about his alleged ambition to run for president and noted with regard to the Latin American scene that the actions of the Contadora Group have strengthened the Sandinist regime.

General Landazabal's view is that the country has not realized that it must put a halt to the conflict that it is in because it cannot allow the violence that has been around for a century to continue past the 1980's.

The former defense minister asserted emphatically that he is not making suggestions to the administration or to anyone else.

[Landazabal] President Betancur is the only person who can give Colombia peace today, because he is the only person with the moral authority to tell the subversives "that's enough." If after all that the government has given the subversives, after all of the peace efforts, President Betancur says "we've had it, that's enough," stands strong with the Armed Forces and enforces the law against the subversives who have not availed themselves of the peace pacts, against their armed branch, I can insure you that the entire Colombian people will stand by the president, and weapons will not be needed. The mere outcry of the Colombian people around their president and their Armed Forces

could put the remaining guerrillas against the wall, and within 6 months, before this administration ends, we would have peace.

If this administration does not hand over a country at peace, it will be very hard for the next administration, no matter who is in office, to do so. Don't forget that one group of subversives is giving the government a breather, a truce. It's not the government that has given the subversives a truce; it's the subversives who have given the government a truce.

[Question] Are you saying that the government has done all it can?

[Answer] It can do no more; it has done all it can. President Betancur's administration has done all it can. The president himself has spoken with the guerrillas, met with them, received them at the government palace, set up the peace commissions and told the Armed Forces "don't shoot, "move out, because we're going to talk with the guerrillas." What more do the guerrillas want? The country cannot accept handing over the government to the M-19 or to the FARC [Revolutionary Armed Forces of Colombia] as the only path to peace. That's what they're after. They're after the president's chair.

Peace has not been consolidated in the country. To round out my thoughts on the matter, the president of the republic has all the moral authority at this moment, though, to mobilize the country against the enemies of peace, the people who have refused to accept peace. The country wants peace, it wants authority, it wants to take bold action against the subversives, and if the president takes this opportunity and stands with his country and mobilizes the nation's will to destroy the guerrillas or to force the subversives to accept the peace proposals, the president will win the battle.

Mauricio Gomez: Can the guerrillas be done away with in a year?

[Answer] It all depends on the nation's will...Why were they able to do this in Cali? Because the people in Cali said: "Look, here they are." And the people of Cali helped out because the people in the valley are desperate at this point, as they are elsewhere in the country. But if this doesn't happen, I'll tell you something. President Betancur's administration has been one of peace, without question. But if President Betancur does not hand over a country at peace...tomorrow the history books could say that President Betancur's administration was among those that fostered guerrilla warfare the most. Why? Because it was unable to keep the peace. When he said that we had to pay whatever price was necessary for peace, communism understood the message and is demanding its price for peace, which in my view is the takeover of power.

#### The Communist Party

Yamid Amat: Throughout this interview you have held the Communist Party responsible for organizing acts of violence. Do you think that the Communist Party ought to be banned in Colombia?

[Answer] No, under no circumstances. There's been a mistake in these peace efforts. The peace pacts were made with the armed branch, not with the

Communist Party, and this unjustifiably absolved the Communist Party of its historic responsibility in the violence that we have been suffering for 30 years. When we were directing the tactics and the strategy of the counterrevolution, we were told: "You can't talk because you're from the military," and a pact was reached with the armed branch of the political subversive movement. There is a contradiction here. Coming to terms with the guerrillas and ignoring the party that guides and maintains them is like trying to fix a horse race with the stableboy instead of the jockey. Here the pact was with the stableboy, and the jockey that rides the horse was left with a free hand. This is not the first time that the FARC have suspended operations. They have called a truce, and I'm worried about the next administration. In 1969 the government was against negotiating relations with Russia, and there was the problem in Tolima. The FARC were operating there, and this was thwarting relations with Russia. So the Communist Party gave orders to cease fire, and they halted their activities until relations with Russia were established. The FARC went 2 years without engaging in military action. The army maintained some sort of a presence, sent out patrols and did civic work. There was no guerrilla activity. Until one day the FARC shot down a small Avianca plane that was flying from Neiva to Planadas with the manager of the Planadas Agrarian Bank. Then, a military helicopter was sent from Neiva with an officer and a mechanic to see whether he could be rescued. The lieutenant arrived in Chapinero and said "I'll get some information here." He landed in Chapinero, and the FARC grabbed and killed him and burnt the helicopter, because he had entered an area that was off limits to law enforcement agencies. That's why I'm telling you that it's very difficult to view the political side of subversion in Colombia in isolation from the rest of the continent. We have to convince ourselves that the target today is not Costa Rica or Guatemala or Honduras. This is chess, not dominoes.

The communist revolution has taken hold in Nicaragua and now has borders with other countries. Given Latin America's antimilitarism, those governments will fall on their own.

Mauricio Gomez: Do you think that El Salvador will fall on its own?

General Landazabal: It might hold out, but those are military governments. The target today is Colombia, because it's a bridgehead into South America. Colombia has two oceans; that's why Castro has struck at us. Castro has trained guerrillas to send here. Because Colombia comes next after Nicaragua...It won't be today or even tomorrow. But the next step is Colombia, if Colombia fails to grasp the problem and the overall strategy.

Yamid Amat: In other words, we need a Contadora Group, but for ourselves.

General Landazabal: In what sense?

Yamid Amat: The Contadora Group is currently engaged in efforts to achieve peace in Central America. What I was saying was that the Contadora Group we really need is one to achieve peace here, the international peace that we are talking about.



General Landazabal: I'm going to tell what I'm thinking right now. You recall that after the Cuban Revolution came to power, it declared itself communist. Russia set up missile bases on the island. The strategy was clear. The United States discovered the missile bases. Then the news broke that the missiles could reach Lima. Kennedy immediately said: "We have to make a military decision." All of Latin America sided with the United States for an invasion of the island. Khrushchev told Kennedy: "Don't invade. I'll remove the missiles." And Russia let the U.S. Armed Forces inspect the ships to make sure that they were carrying the missiles. This was a superbly calculated stratagem to establish communism firmly in Cuba. Russia pledged to remove the missiles, and Kennedy pledged not to invade. Russia thus insured the continued presence and strengthening of communism in Cuba. I think that I have spoken clearly.

The revolution comes to Nicaragua, the mainland this time. The United States starts taking action against the Marxist revolution, and Contadora says: "We can fix this with peace talks." Hence the importance of the peace talks in Colombia. This is a global thing. When the FARC, the M-19 and all of these people who share a given political ideology called for peace talks and demanded an amnesty, they were telling the United States that these talks in Colombia should serve as an example to it. So Contadora played the role of the missiles, and the Marxist revolution was consolidated in Nicaragua.

Mauricio Gomez: You agree, then, with President Monge when he asserted that Contadora is playing into the hands of the Sandinists.

General Landazabal: I am analyzing the overall problem of countersubversion or strengthening a system of government in our country. I think that Contadora, perhaps without realizing it, inadvertently, insured the consolidation of the Marxist revolution. So then, if the revolution in Nicaragua were defeated and a democratic system like ours established there, the guerrillas in Colombia would not be doing as well as they are today because it would be a blow to that continental organization. There are lines of communications. Let's not think that the guerrillas in Colombia aren't furthering certain international interests, Russia's through Cuba. What the Colombian people have refused to realize is that the problem of subversion is global. You can't make a decision in Colombia without knowing what's happening in the rest of the continent. It is a global strategy. Reaching an agreement with the guerrillas instead of with the Communist Party was a mistake, I think. The pact should have been with the Communist Party, because it is in charge of subversion in Colombia. Don't tell me that Tirofijo was directing the strikes at the universities, the work stoppages at plants, that he was running the urban networks and behind the kidnappings. No, Tirofijo doesn't have that kind of power. He was over there with his guerrilla activities. The Communist Party was running things here; it pursues the tactics and strategy of the guerrilla movement all around the world wherever it can.

#### Colombia's Mistake

Over my years of study I have developed a catchphrase about communism: "Anything you give communism is too little, and anything you deny it is reason

for continuing the struggle." You've heard the guerrillas here say: A step towards peace." They always go by steps. The administration and the Congress gave them amnesty, and everyone took to the streets with white flags saying: "Peace is here." And the guerrillas said: "This is another step." Every time you give them something, it's another step.

Yamid Amat: Let me ask you this: Do you think that too many concessions are being made to the guerrillas in this process?

[Answer] The Peace Commission, which should have presented demands to the guerrillas on behalf of the administration or on its own behalf, was interested in what they wanted. This was Colombia's mistake. We're giving away everything here; the Peace Commission is giving away everything. The Peace Commission forgot that it was representing Colombia's democratic system, which had to defend itself. Not only did it accept the guerrillas' demands; it added others, further compromising the administration. And President Betancur cannot fulfill the extra demands in the time he has left. To me, this was a mistake by Colombia's democracy. Thus, I want to call on all capable, decent, honest politicians to close ranks against everything that is working to destroy our institutions, to close ranks around their army, their Armed Forces, around their government, around their Congress, around their republican institutions so that the country does not perish tomorrow and so that we do not have to regret what we are inadvertently losing.

8743

CSO: 3348/953

COLOMBIA

CONGRESS, CHURCH DENOUNCE MARXIST INFILTRATION IN EDUCATION

Bogota EL ESPECTADOR in Spanish 30 Aug 85 p 12-A

[Article by Gonzalo Silva Rivas]

[Text] Congress and the Church yesterday warned that there is a worrisome threat to education in Colombia from an increasingly heavy Marxist infiltration among teachers and strongly denounced the practice of extortion by several guerrilla groups to finance their activities.

Lawmakers and bishops met for more than 3 hours in the Senate to thoroughly analyze the status of law and order in the country, the misdirection of education and the crisis in the justice system. At the close of their meeting they agreed that Colombians had to unite and work together to successfully carry out the difficult task of making the nation more ethical and strengthening its institutions.

The central topic of the conference was national peace, which was discussed at length. The conclusion was that law and order in the country are in the midst of an alarming crisis that calls not only for resolute government action but a commitment from citizens as well.

The secretary of the Episcopal Conference, Guillermo Melguizo, remarked to this paper that the Church announced its intention to continue helping to further the pacification process in which the current administration is engaged through its constant and deep-felt appeals to the "conscience of all Christians."

The message that the bishop of Garzon sent to the president of the Senate, the Conservative Alvaro Villegas Moreno, was read during the meeting. In it he voices his deep concern over the extortion that leaders of the so-called Patriotic Union, a FARC [Revolutionary Armed Forces of Colombia] political group, have been practicing in the department of Huila.

Shakedowns Denounced

The note, which caused a stir among the assemblage, reads as follows: "I am troubled to report that Patriotic Union is proselytizing with arms, intimidating and using force against peasants. Extortion also still

practiced; young people being aggressively recruited; intensive Marxist indoctrination. Ramon Garzon, bishop of Garzon."

The bishop of Barrancabermeja, Juan Francisco Saratis, also condemned the same political movement for extorting money from local peasants, threatening to kill them if they do not pay sums ranging from 1,000 to 100,000 pesos to finance its activities.

The denunciations prompted the congressmen and Church spokesmen to demand that the national government act more quickly to guarantee the political rights of Colombians and, thus, to prevent such intimidation from thwarting the will of the people.

The archbishop of Bogota, Mario Revollo Bravo, described armed fund-raising and political proselytizing as reprehensible, immoral and unacceptable, though he did approve of political party fund-raising as long as the money comes voluntarily from voters or sympathizers.

The vice president of the Senate, the Liberal Ancizar Lopez Lopez, criticized the constant pressure that subversive groups are putting on young people and peasant farmers to pledge their political support and, along with the president of the Congress, he called for hard-and-fast guarantees for free elections.

#### Marxist Teachers

As far as the state of the school system is concerned, the secretary of the conference, Monsignor Melguizo, yesterday spoke out against the threat hanging over education, "which is falling day after day into the hands of the Marxist ideology, to the detriment of the mental health of students."

In commenting to EL ESPECTADOR on this issue, Senator Lopez Lopez acknowledged that the school system is in poor shape, partly because of law and order problems. He added that the school system has been falling apart as a result of the constant infiltration of totalitarian ideologies among teachers.

"We have a duty to rescue education for the State," Lopez Lopez indicated, cautioning as well that the stumbling blocks facing state universities also stem from the ideological impositions of small groups.

Senator Dilia Estrada de Gomez, who has been a distinguished educator, proposed that Congress significantly amend the teachers statute to put an end to the divisive influence of certain instructors.

With regard to the justice system, the lawmakers and bishops indicated that it is not in keeping with national realities, adding with some concern that jails have become veritable schools for crime.

In an effort to analyze the status of the justice system at greater length, the officers of Congress announced that a meeting would soon be held with judges and magistrates to seek ways of correcting the structural defects in this area.

Senate officers (Alvaro Villegas, Ancizar Lopez and Jose Guillermo Castro) are promoting forums of this kind to examine current national conditions with all segments of the country. In this vein, a meeting with the cattlemen's union was announced for next week, and another is scheduled in 2 weeks with the country's most prominent brigade commanders.

#### Curbing Exaggerated Requests

The following bishops attended the conference with Congress officers: Arauca, Jesus Emilio Jaramillo; Barrancabermeja, Juan Francisco Saratis; Palmira, Mario Escobar; Santa Rosa de Osos, Joaquin Garcia; Sincelejo, Hector Jaramillo; Barranquilla, German Villa; Meta, Carlos Adeimo Cubillos; Florencia, Jose Luis Serna, and Bogota, Jorge Ardila, Gabriel Romero and Mario Revollo.

Speaking with newsmen, Senator Alvaro Villegas described the first working session with the bishops as a success and said that he had suggested to them that they voice their concerns to the chambers of the legislature so that they could be put in bill form and debated.

Monsignor Revollo described the law and order situation as delicate but not desperate. The prelate also cautioned that the government is not in a position to meet all of the Colombian people's needs and he called on people to curb their exaggerated demands.

Monsignor Melguizo stated that yesterday's dialogue had been frank, cordial, objective and eminently patriotic. "Emphasis was placed on the Congress and the Church joining forces in common tasks, inasmuch as both are community-service institutions," he said.

With regard to peace, Monsignor Melguizo said that the lawmakers had stressed that the Church must continue to serve as a liaison in the quest for national reconciliation, and he stated that it would be appealing to the conscience of Christians "to strengthen moral values once again."

8743

CSO: 3348/953



CUBA

## STUDY NOTES FOR CASTRO'S 26 JULY SPEECH IN GUANTANAMO

Havana VERDE OLIVO in Spanish 1 Aug 85 pp 54-55

[Passages enclosed in slantlines printed in boldface]

[Text] Topic: Speech given by Cmdr in Chief Fidel Castro Ruz on the occasion of the 32nd Anniversary of the Assault on the Moncada Barracks.

/Objective/: After studying the topic, commissioned and non-commissioned officers should be able to do the following:

1. Analyze the achievements of the province of Guantanamo and its prospects for development.
2. Explain why Cuba serves as an example of what can be achieved in the countries of the "Third World."
3. Explain the importance of the struggle being waged by the peoples of Latin America to eliminate the foreign debt, to bring about a New International Economic Order, and to achieve economic integration.

### Structure of the Presentation

I. /Introduction/

II. /Development/: Study topics.

1. /Guantanamo/: its history, accomplishments and prospects for development.
2. The Cuban Revolution and the struggle to eliminate the foreign debt, to bring about a New International Order and to achieve Latin American economic integration.

III. /Conclusions/

### Introduction

The presenter should point out why the celebration of the 32nd anniversary of the assault on the Moncada barracks is of particular significance.

### Development

1. /Guantanamo: its history, accomplishments and prospects for development./

Guantanamo is a province with a rich revolutionary tradition. In its territory, the following events took place:

- the Indian Hatuey, who was the first leader and first martyr of our Fatherland, fought here;
- major arenas were created;
- the local population participated actively in the first war of independence;
- Marti, Gomez and Maceo landed here when they resumed the armed struggle in the War of 1895;
- the peasants wrote glorious pages in the history of the struggle;
- the Frank Pais Second Eastern Front was created here.

Next the presenter should go on to explain that the situation in this province before the Revolution was described by the commander in chief as a "Third World" place in a "Third World" country.

The presenter should explain some of the reasons why the commander in chief asserted that in this province the Revolution has not reached its peak. He should also point out that certain adverse factors must be taken into consideration, including the tendency of the mountain people to leave the area, the salinization of the lands, and the drought.

The presenter should describe the significant advances obtained in the province of Guantanamo:

- Material production has increased fivefold since the Revolution.
- In the last 4 years, labor productivity has grown at a rate of 9.9 percent.
- Between 1980 and 1984, citrus fruit production multiplied 6 times.
- In 1984, 20 million trees were planted; in 1985, that figure will rise to 21 million.
- During the years of the Revolution, 27 new industries have been built and 65 new agriculture and livestock facilities have been installed.
- A total of 1,400 kilometers of roads and highways have been built.
- Employment expanded from 30,000 jobs before the Revolution to 150,000 now.
- In 1971, just 18 percent of workers had more than a sixth grade education; by 1984, that figure was 80 percent.
- Fifty-four percent of workers with technical skills are women.
- In the area of /health,/ there were 4 hospitals, 91 doctors and 24 nurses and nurses' aides at the time of the triumph of the Revolution. Now there are 17 hospitals, 574 doctors and 1,578 nurses and nurses' aides.
- In /education,/ as of the triumph of the Revolution there were just 257 schools, and 50 percent of children had no schools or teachers. At present there are 909 schools, and all children attend.
- In the /socio-cultural/ sphere, progress has also been made. There are now 2,500 groups of amateur artists, and 329 sports facilities, 17.2 times more than before the triumph of the Revolution.
- The number of homes with electricity grew from 15,000 before the Revolution to 68,000 at present.
- There are more than 156 agricultural and livestock production cooperatives, and more than 50 percent of farmers belong to them.

During the presentation and the debate, the presenter should discuss the significance of the fact that a province like Guantanamo, with an area of just

6,174 square kilometers and only 473,000 inhabitants, has a defensive force made up of 110,000 soldiers, and that 50 percent of them are women.

Then he should explain that this province has magnificent development potential, since in the next 5-year period no less than 30 new industrial objectives will receive investment, providing employment for approximately 6,000 people.

The presenter should explain why the region of Moa was assigned to Holguin, and the importance of having this mining and metallurgical area come under the jurisdiction of the province of Guantanamo.

He should point out that Guantanamo is the foremost trench in the war against imperialism, and requires special attention. That is why the towns of Caimanera and Boqueron will be given priority in this province.

2. /The Cuban Revolution and the struggle of the peoples of Latin America to eliminate the foreign debt, to bring about a New International Economic Order, and to achieve Latin American economic integration./

The presenter should indicate that the successes of the Cuban Revolution serve as an indisputable example for all underdeveloped countries.

--In 1984, our economy grew by 7.4 percent, and labor productivity was up 6.2 percent. During that same period, the economy of all Latin American countries put together hardly grew at all.

--Cuba's gross social product grew by 32 percent per capita between 1980 and 1984, while the Latin American countries as a whole saw theirs decline by 8.9 percent.

--In 1984, 112,000 new jobs were created in Cuba, and the population's income grew by 771 million pesos.

--Cuba invested 4 billion pesos in 1984.

--In 1984 we had one doctor for every 486 inhabitants, and with the more than 2,500 doctors who graduated this year, we now have one doctor for every 445 inhabitants. In addition, more than 20,000 students are now studying in the medical schools, and 5,700 more will enter.

--Recently the first 2,700 diplomates in primary education were graduated.

--Sugar production quotas were attained 100 percent.

--In 1985, the economy grew by 4.8 percent, and a 10 percent fuel savings was achieved.

The presenter should stress that the guidelines set forth by the Communist Party of Cuba (PCC) in 1984 had a tremendous influence on the achievement of these economic results.

The country is in a good situation, because it has attained great economic and defensive strength. For these reasons, Cuba is in a better position to struggle, alongside the peoples of Latin America, in the great battle our people are waging to eliminate the foreign debt, to bring about a New International Economic Order, and to achieve Latin American economic integration.

It should be emphasized that the world in general, and underdeveloped countries in particular, are undergoing a severe economic crisis. The gross domestic product of the Latin American countries has fallen back to 1975 levels, and in addition they face a foreign debt of \$360 billion and rising interest payments.

The presenter should criticize the absurd attempt by the imperialists and their satellites to claim that Cuba is undertaking this struggle because it is losing prestige.

He should reaffirm the importance of the fact that this battle is being waged by the popular masses, and it cannot be stopped even if the imperialists lose sleep over it.

He should emphasize that on 30 July 1985 a very important international meeting was begun in our country, one which will be the most far-reaching, pluralistic and democratic of all those that have taken place in this hemisphere.

This meeting will be widely publicized, and noteworthy figures from all over the Americas will participate in it. It should be noted that unity is of great significance at this point.

The presenter should explain that we are inspired to struggle by our profound revolutionary convictions and that Cuba would have supported any country that began and developed this battle.

#### Conclusions

The achievements observed in the province of Guantanamo and the country in general are an example of what can be done in the "Third World," and an indication that the problems of underdevelopment can be solved.

The struggle to eliminate the foreign debt, to bring about a New International Economic Order and to achieve Latin American economic integration, is vital to the countries of this hemisphere.

What we want for the "Third World" is what our Fatherland has done in this province and in other similar provinces in this country.

#### Questions

1. Why did Cmdr in Chief Fidel Castro Ruz state that "...there is a historical constant in the spirit of struggle and in the patriotism of Guantanamo residents"?
2. Analyze the factors that hindered accelerated development in the province of Guantanamo.
3. Discuss some of the advances that have been made in the province of Guantanamo.

4. How have the people of Guantanamo responded to the threats of military aggression by the Yankee imperialists?
5. Why is the Cuban Revolution an example for underdeveloped countries?
6. Criticize the absurd attempt by the imperialists and their satellites to demonstrate that Cuba is not the appropriate place to debate Latin America's fundamental problems.
7. What is the importance of the struggle to eliminate the foreign debt, to bring about a New International Economic Order, and to achieve Latin American economic integration?

8926

CSO: 3248/512



CUBA

## EMULATION CAMPAIGNS IN AGRICULTURE FAILING TO REACH 'MASSES'

Havana ANAP in Spanish Jun 85 p 9

[Commentary by Chongo Leiva]

[Text] Emulation spurs on the efforts of the masses, shapes their attitudes and orients them toward specific objectives of society in order to promote its development. In this regard, economic and productive successes are the principal manifestation of the different social sectors' dedication to the achievement of such objectives.

All members of society, therefore, should become involved in the emulation programs. In the specific case of the National Association of Small Farmers (ANAP), all members should take an active part. These members are the farmers who, with their personal experience, contribute to the development of the Revolution's plans.

For this reason, emulation should and must go beyond the office wall and the desk drawer to become a real-life experience that can expand and spread to the masses in with vigor, passion and enthusiasm. This is possible if emulation plans are designed properly, adapted to the real situation and accompanied by effective propaganda and proper orientation.

ANAP has drawn up a variety of emulation plans that are conventionally adapted to different phases and interests of the organization and the revolutionary process. Special emulation programs, microemulation plans and other projects have been tested and implemented, and have successfully served their function at certain times in this organization. Today the Emulation of Historical Dates and the special 17 May Emulation have drawn national attention to the organization's most important economic-productive activities. The leading cadres and their members have turned their primary attention to this emulation program, and with the new approach, success is measured with just one indicator: the volume of real production.

As we journalists travel around the provinces, we have become aware of the importance attributed to internal emulation in each of these territories. In other words, emulation is cast in a provincial light, whether the product in question be coffee, tobacco, sugarcane, or whatever. Initiatives are developed with active participation as a function of these interests, but national

emulation plans are not taken into consideration much or are not adapted to these local emulation programs.

This journalist's perspective is confirmed by observations during provincial evaluations, where there is plenty of propaganda and even the moral and material stimuli that are provided during the evaluations at that level are superior to those of the national emulation programs. Moreover, the events are more interesting and the resources more plentiful.

Even so, there are times when many of these evaluations take place at meetings or assemblies of just the cadres, sometimes with just the board of directors, and the masses do not participate in these activities. Hence, the emulation program is not entirely fulfilling its commitment.

Another problem is that countless members are unaware of what other grassroots organization they are emulating. I had this experience on a recent visit to the province of Granma. To make matters worse, when I asked seven cooperative members how the emulation program was going, they did not even know whether their cooperative was emulating or not. But this phenomenon is not exclusive to Granma, because in visits to other provinces, I have seen the same situation.

In Granma we talked to the secretary of organization, Comrade Misael Hernandez, about this problem. He reported: "So far, we do not have the best mechanisms for making emulation work optimally; the rank and file must be involved in the evaluations, and results must be seen at the farmer's level. Thus far, the stimuli provided have been dull and uninspiring. Nevertheless, we have made progress in this area, because the evaluations at the municipal and provincial levels are already being carried out among the rank and file. But we must bring emulation to the individual ANAP members, so that they can understand it, assimilate it and put it into practice."

How can emulation bear fruit if those who participate do not even know whom they are emulating?

It is imperative that each ANAP cadre be sensitized so that it can carry out propaganda systematically and directly with the members. Emulation must be brought down from "above," not just to the level of the boards of directors, but fully within the grasp of each farmer. Then its political, economic and social objectives can truly be achieved, and the results that the Revolution and Fidel expect can be genuinely accomplished.

Now I direct my question about how emulation is doing, to each ANAP cadre. Each one's answer is important . . .

8926

CSO: 3248/512

CUBA

BRIEFS

**MOST SUGAR COMPLEXES UNPROFITABLE**--In the last 2 years, there has been a favorable decrease in the cost indicator of gross production per peso in the agroindustrial complexes of the Ministry of the Sugar Industry, MINAZ. Despite this, from 1983-1985, only six of these sugar mills were profitable. These are: Pablo Noriega and Camilo Cienfuegos of Havana Province, Puerto Rico Libre of Matanzas, Lopez Pena of Holguin, and Ignacio Agramonte of Camaguey [as heard]. At the end of the first 6 months of 1985, only 58 percent of the agroindustrial sugar complexes decreased their costs. The majority of the 144 complexes in Cuba were unprofitable during the same time period. The financing and economic efficiency of productive efforts in our sugar industry are goals to be achieved as quickly as possible. [Text] [Havana Television Service in Spanish 1700 GMT 9 Sep 85]

**RELATIONS WITH NEW ZEALAND DISCUSSED**--Foreign Vice Minister Giraldo Mazola has headed a delegation from our country which visited New Zealand to discuss the widening of diplomatic relations between the two countries. Mazola met with New Zealander Foreign Secretary (Norris) [as heard] and Vice Secretary (McDowell). The diplomatic and commercial future between Cuba and New Zealand was discussed at the meeting. The Cuban vice foreign minister also met with New Zealand's vice minister of trade and industry, (Ruthter). In addition to Giraldo Mazola, Foreign Ministry Director of Asia and Oceania Zoila Rosales, and Cuban Consul in Sidney Luis Gomez (Anzardo) also attended the talks on the future of diplomatic and commercial relations between Cuba and New Zealand. [Text] [Havana Domestic Service in Spanish 1811 GMT 20 Sep 85]

CSO: 3428/537

GRENADA

GOVERNMENT URGED TO TAKE STAND ON TRINIDAD TRADE POLICY

FL102043 Bridgetown CANA in English 1941 GMT 10 Sep 85

[Text] St Georges, 7 Sep--The Grenada Chamber of Industry and Commerce says the St Georges government must take a firm stand on Trinidad and Tobago's trade protectionist policies.

In a statement, the organisation's president, Brian Pitt, expressed particular disappointment with Trinidad and Tobago's failure to implement the 1984 Nassau Understanding--an agreement among Caribbean Common Market governments to remove barriers to free trade among themselves and to enhance protection of domestic goods. Three other countries--Belize, Antigua and Barbuda, and St Lucia--have also not ratified the accord.

It is time that we in Grenada took a firm stand on this and other related issues, Pitt said.

He noted that since April, Grenada had given legislative effect to the Nassau package by reducing duties on selected Caricom goods and increasing rates of duty on specific items imported from non-Caricom sources.

Although these actions accommodate Caricom and facilitate trade within the region, he said, in some instances the net effect has been increased cost to the Grenadian consumer.

With Trinidad's failure to implement the agreement, restrictions on the importation of Grenada-made products are still in effect, causing serious problems for those manufacturers who depended heavily on the Trinidad market. As a result, manufacturers continue to cut back on production and lay off workers.

We have kept our side of the bargain. We have been patient and accommodating. Now we must question whether the goals and objectives of Caricom have any true meaning or relevance, given the protectionist policies of member states, and act in the best interest of Grenada and Grenadians, Pitt said.

CSO: 3298/1043

11 October 1985

## GRENADA

## PAPER LAUDS DECISION ON LOCAL GOVERNMENT, QUERIES ROLES

St Georges THE GRENADIAN VOICE in English 24 Aug 85 p 4

[Editorial]

[Text] We are pleased to learn that Cabinet has, in principle, approved proposals for the restoration of local government. This time, we must see that it works properly and not just used as a base for attacking the legitimate government, nor as a debating society, becoming an exercise in futility. But rather, let the local government solve their problems with reasoned debating, rather than long, drawn out mouthings, which tend to show off rhetorical skill rather than reason. In short, what we would like to see is that these district boards get down to doing some solid work in as short a time as possible.

District boards can be of great value in helping to take much of the load of small matters off the shoulders of central government. Ministers are busy people and have no time to look after a dirty drain here and a dirty drain there. But that is what the little man is concerned about. Neither has he the time to worry over a deteriorating road here or there. These matters could easily be taken over by a district board, or village council.

The village council is something new and will give the district boards more meaning. In the past, while the district boards were elected by the whole parish, they, in effect, were town boards, who looked after the affairs of the town. This time, it will be the business of the town board to look after the needs of the town and leave the affairs of the countryside around them to the village councils. Three towns will have town boards, Grenville, Sauteurs, and Gouyave, while St George's will have a municipality with a mayor. One, therefore presumes that St Mark's and St David's will have district boards. But, according to a communique received from the ministry, there will be six (6) district boards, one for each parish. Government will need to think this out well, before local government comes into operation, less there be confusion in the minds of some. In point of fact, we ourselves are not clear on the difference, and it seems to us now that there will be some overlapping somewhere, which should be avoided at all costs.

We are uncertain of the administration of village councils. Will they, for instance, have control of their own funds, or will they have to apply for funds on an ad hoc basis or what? They will be given certain areas of responsibility, such as Day Car Centres, bus stop shelters, side roads, street



signs and community centres. While district boards will look after such matters as community playgrounds, street lighting, street cleaning, district roads, cemeteries, market places and social welfare.

All these matters will need funds.

Is there going to be a central body to administer these funds? Or is each village council to have its own office, clerk and all the paraphernalia that that implies? Or are they going to be mostly volunteer bodies with honorary secretaries, treasurers and the like? Two communiques received from local government sources do not leave us any wiser on these matters.

CSO: 3298/1043

HAITI

## CHURCH PUBLICLY REASSERTS ITS POLITICAL RIGHTS

Port-au-Prince LE PETIT SAMEDI SOIR in French 27 Jul-2 Aug 85 pp 19-21

[Pastoral message from the Episcopal Conference of Haiti, issues at the headquarters of the ECH, 16 July 1985]

[Text] Beloved Brothers and Sisters,

Among the issues which are significant today in the social and political life of our country, the promulgation of the "law concerning the organization and functioning of political parties in Haiti" is likely to bring about considerable consequences for the future. An expression of political pluralism and an appeal for union, this promulgation is in agreement with a fundamental principle of the church's social doctrine; that of diversity in unity. Diversity, in other words, the chance for each individual to freely express personal opinions and to adopt different political choices; and at the same time unity, that is, the need to unite all the living strengths of the country in the service of the common good. We may say that today perhaps more than ever in the history of our country we must accept our differences and seek complementarity.

However, when we take the entire situation into consideration, we see that some germs of divisiveness introduced into our society have repercussions even in the heart of the church community. Moreover, when we look at the law on political parties, we discover an attempt to eliminate the church from the political life of the country.

History has shown, and Vatican II has affirmed in the Constitution LUMEN GENTIUM, that: "The church is, in Christ, in some way the sacrament, that is, the sign and the instrument ... of the unity of all mankind." (LUMEN GENTIUM, No 1).

This is why we, faithful to our mission as pastors, wish to share with you our concerns by informing you of the position of the Episcopal Conference of Haiti with respect to this law on political pluralism and by exhorting you to preserve "the unity of the Spirit" within the diversity of social and political choices.

To help you to understand our position better, we are providing you with some excerpts from a letter of 9 July 1985 addressed to the President of the Republic and signed by the seven bishops of Haiti.

"Excellency,

"The Code of Canon Law, promulgated under the authority of His Holiness Pope John Paul II on 25 January, sums up in the following terms the church's duty to intervene in the social and political field:

"'It is the duty of the church to proclaim moral principles in every time and place, even regarding social order, and also to pass judgment on every human reality to the extent that the "fundamental rights of the human being or the good of the soil" requires it.' (Canon 747, para 2).

"'The preachers of the Word of God make known ... to the faithful the doctrine which the magisterium of the church teaches on the dignity and freedom of the human being, the unity and stability of the family and its duties, the obligations which concern men united in society, as well as the temporal affairs to be organized according to the order established by God.' (Canon 768, para 2).

"In light of these fundamental principles of canon law which govern the teaching function of the church in socio-political affairs and by virtue of the responsibility entrusted to it by Christ, Redeemer and Liberator of man, the Episcopal Conference of Haiti considered the totality of the laws recently promulgated on revision of the 1983 Constitution, political pluralism, and also the presidential decree on the referendum on the new political system.

"Rather than enter into the details of this body of laws, we would like to emphasize a matter which concerns the church directly, especially in the text of the 'law regulating the organization and functioning of political parties in Haiti.'

"Even a casual perusal of this law has revealed to us a systematic desire to ignore the religious dimension in the country's social and political life.

"It seems that there is an unwillingness to acknowledge the right to legality of political groups in Haitian society simply because they espouse a Christian religion.

"Article 7 clearly states:

'Every political party linked in its activities to a religion is illegal.'

"It is true that, in conformity with the Code of Canon Law, 'clerics shall not take an active part in political parties ... unless, in the judgment of the competent ecclesiastical authority, the defense of the rights of the church or the promotion of the common good so require.' (Canon 287, para 2). But it is also true that Christian laymen engaged in the temporal life of the world have the right to conduct their political activities in linkage with the Christian principles which govern their human conduct. Otherwise, one must ask: Is this a rejection of every religious value, a laicism whose horizon does not extend beyond the earthly sphere understood in a material sense?

"This denial of the religious dimension goes even further when we take into consideration the provisions of article 18. Here is the drift of that article:

'The name, the symbol and the emblem of a political party ... must not contain any allusion of a religious character....'

"In other words, to identify itself, a political party could possibly profess itself atheist. But an 'allusion of a religious character' is to be utterly proscribed. This indicates a break with most of modern Christian societies which hold to a democracy of Christian inspiration and indicates the adoption of an absolutely unique model of society which denies to a people almost totally baptized the right of a Christian community to exist.

"This seems confirmed by article 38 which sets forth:

'No political party is to be affiliated with international or foreign organizations especially of a political, organized labor or religious character.'

"In other words, political or organized labor affiliations, which concern liberal or Marxist ideologies, are put on equal footing with spiritual and moral affiliation. There is here an attempt, purely and simply, to deny church participation and, by the same token, all freedom of religious expression in the country's social and political life.

"Presented with this situation, the Episcopal Conference of Haiti experiences a feeling of uneasiness and raises a question. The uneasiness derives from this phenomenon of casting out the whole Christian community from the country's political life. The question is in regard to the referendum referred to, from which we feel ourselves excluded as a Christian community.

"We would be appreciative, Excellency, if you would be so kind as to ask the authorities concerned to formulate the amendments necessary to eliminate religious discrimination in this law on political pluralism."

Beloved Brothers and Sisters,

We exhort you to keep "the unity of the spirit" in the diversity of social and political options. For, as St. Paul says in the letter to the Ephesians: "Each of us has received his share of divine grace according to the measure of Christ's bestowal." (Ephesians, 4, 3 ... and 7).

From this arises the necessity that the ministers of the church maintain unity among themselves within the priesthood, unity with the faithful in the activities of the apostolate, in the church community, in the parishes and in the dioceses.

From this arises as well the necessity that members of institutes of consecrated life, monks and nuns, and members of secular institutes live the "church communion" both within and outside of their community.

From this arises the necessity that all laymen participating in the apostolate, leaders of the church community and people of God remain faithful to the fraternal communion, whatever their political opinions or options may be.

Unity must be maintained now or never. For as Jesus says in the Gospel of Luke:

"Take care not to be led astray.... Nation will rise against nation, kingdom against kingdom.... You will be delivered up by your father and mother, by your brothers, your relatives, your friends; some will be put to death and you will be hated by all for my name's sake. But not a hair of your head will perish. You will save your lives by your perseverance." (Luke 21, 8. 10. 16-19).

In addressing this message to you, we entrust you to the Virgin Mary, Our Lady of Perpetual Help, Our Mother and Patron of our country that she may obtain for us in the course of socio-political developments the grace of unity, of peace and of love of her Son Jesus Christ, Savior and Liberator of man.

Given at the headquarters of the Episcopal Conference of Haiti on 16 July 1985 on the feast of Our Lady of Mount Carmel.

Msgr Francois GAYOT, SMM  
President of the CEH

(absent)

Msgr Francois Wolff LIGONDE  
Archbishop of Port-au-Prince

Msgr Willy ROMEUS  
Vice President of the CEH

Msgr Claudius ANGENOR  
Bishop of Les Cayes

Msgr Frantz COLIMON, SMM  
Secretary General of the CEH

Msgr Emmanuel CONSTANT  
Bishop of Gonaives

Msgr Leonard Petion LAROCHE  
Bishop of Hinche

N.B. This message shall be read in all churches and chapels of Haiti on Sunday, 21 July 1985.

13028  
CSO: 3219/12



MEXICO

CANADIAN TRADE MEASURES TO AFFECT AUTO PARTS SALES

FL021815 Mexico City NOTIMEX in Spanish 1830 GMT 31 Aug 85

[Text] Mexico City, 31 Aug (NOTIMEX)--Exports of Mexican auto parts to Canada will be affected because the Canadian Government has suspended preferential treatment and will charge a 7 percent tax to imports of such goods.

The Commerce and Industrial Development Secretariat [SECOFI] has reported the above and added that restrictions imposed by the Canadian Government will have a strong effect on the sector's national sales. It indicated that in 1984, that country bought Mexican auto parts amounting to \$568 million.

The SECOFI asserted that the measure adopted through diplomatic channels will be negotiated at the Mexican-Canadian trade group's next meeting and a freeze will be attempted.

The secretariat pointed out that the EEC began a procedure to detect acrylic fibers reaching its market through dumping which could affect sales from Mexico, Romania, Turkey, and Israel.

In Mexico's case, cellulose and by-product companies such as Celanese Mexicana, and synthetic fibers and die companies would be affected. The existence of dumping will probably be determined by the end of the year.

CSO: 3248/2

NICARAGUA

COSEP 'PRIVATE ENTERPRISE DAY' MEETING PROHIBITED

PA210115 Bogota EL SIGLO (NICARAGUA HOY supplement) in Spanish 18 Sep 85 pp 1, 2

[Special report from Managua for NICARAGUA HOY]

[Text] The Higher Council of Private Enterprise (COSEP) faced a new threat of elimination and new pressures during the second week of September. However, it did not bend.

Death threats, harassment at places of residence, and the prohibition of exalting the memory of business leader Jorge Salazar were part of the new escalation of pressures against the defenders of Nicaraguan private enterprise.

Since early August, representatives of the business sector had been holding meetings at the various departmental capitals, as preparatory steps for the meeting that had been scheduled for 8 September at the "Casa de Espana" in Managua, with the intention of declaring the "institutionalization" of private enterprise in the country.

Enrique Bolanos, Ramiro Gurdian, Jaime Bengoechea, Rosendo Diaz, and Andres Zuniga, the main business leaders in the country, and other COSEP members were summoned by Lenin Cerna, the chief of the feared State Security, who threatened to "disrupt the meeting" if they insisted on holding the one scheduled for 8 September.

Cerna said that the businessmen were trying to exalt the memory of Jorge Salazar, a business leader who was killed in 1980 by the Sandinist Government, which has regarded him as a "counterrevolutionary." Cerna added that "if you want to praise Salazar's memory, you should join the counterrevolutionary command named after him." He also reminded them that Salazar's widow, Lucia Cardenal de Salazar, is one of the leaders of the anti-Sandinist "Nicaraguan Democratic Forces" (FDN).

Abaunza [not further identified] recalled that Salazar was found innocent when the authorities reviewed the charges linking him to counterrevolutionary activities. Nonetheless, Cerna insisted on his prohibition.

Because the businessmen insisted on their right to meet and celebrate "Businessman's Day," Cerna told them that state security could take the same measures against them as the ones taken against Salazar. COSEP President Enrique Bolanos considers this "a very serious threat."

The following day, the police stopped Bolanos on his way home, and constant calls were received at his home asking "if he was at home."

Simultaneously with the pressures against COSEP, the Sandinist government has been announcing that the professional organizations in the agricultural field will be increasingly joining the "UNAG" [National Union of Farmers and Cattle-men], which is the organization of medium producers sponsored by the government.

The Sandinist spokesmen insist that the future of the farmers is in the UNAG, and not in what they have called "COSEP's politicized top echelons."

Despite the prohibition on Sunday 8 September, the COSEP officially proclaimed "the institutionalization of private enterprise" and declared every 8 September "Private Enterprise Day in Nicaragua."

The speech delivered by Bolanos has been published despite the intensive pressures unleashed against the businessmen. It contains a frank and direct analysis of the current situation in Nicaragua.

#### Protest Note to Ortega

Bolanos signed a letter addressed to President Daniel Ortega, stating that: "The grave threats issued by Commander Cerna and the repressive prohibition of a patriotic and civilist act contradict your statement in presenting a Sandinist constitutional bill instituting 'political pluralism,' 'nonalignment,' and a 'mixed economy' in Nicaragua. The actions of all government officials should be in accordance with your statement, which has become a dead letter with the threats issued against us."

The statement proclaiming 8 September "private enterprise day" reads as follows:

"Effective today, each 8 September will be considered the private sector's day. It will be celebrated and commemorated by us, by our children, and our grandchildren, because in the same way as our great grandparents managed to defeat the southern slavery that William Walker tried to introduce in Central America, beginning with Nicaragua, our generation will also defeat--and we have faith that this will come true--the new Walkers currently in Nicaragua... who are no longer nine... only about five of them are left.

The following principles were declared by the private enterprise in establishing their official day:

Economic freedom is an objective itself.

Economic freedom is a necessary requirement. We admit that it is not all that is necessary, but we believe it is necessary in order to achieve political freedom.

The foundations of any society which wants to be free is to practice the sacred principle of respect for individual and human rights.

Man is master of his own life, and thus the right to life, to his own life is man's fundamental right. All the other rights are inherent to this fundamental right of respect for his own life.

Man has a right to earn his own living, as a result of his own efforts, as directed by his own mind.

The thinking process is an extremely complex process, of which only the human mind is capable. There is no such thing as a collective mind. Knowledge, thoughts, and rational behavior are individual characteristics. Therefore, they are fundamental requirements of the human mind. Thus, man needs freedom to carry out all those actions required by his rational nature in order to earn his living. Therefore, freedom is another one of man's rights, deriving from the fundamental right, which is his right to live.

The government's source of authority, of any government, is the consent received from those it governs. It should not be a totalitarian government but a servant or agent of the citizens.

#### Similarities With Walker's Days

COSEP's document also mentioned the following similarities between the current time and the days when Walker controlled the country with his filibusters: Just as 130 years ago, there are attempts to impose a regime of slavery in Nicaragua.

In both cases, the civil war produced a medicine that was worse than the sickness, a dictatorship worse than the previous one.

In both cases, the usurpers of power wear a mask, disguising themselves as democratic leaders.

In both cases, those absent were punished with "the law of the absentees." The so-called daily "EL NICARAGUENSE" was Walker's "BARRICADA."

Properties were confiscated in both cases, as a reprisal or political punishment.

In both cases "internationalists" came to Nicaragua to "help," but in reality they came to get rich and to take over Nicaragua.

The so-called "solidarity committees" existed at both times.

At both times, opponents were disparaged and accused of committing base crimes. At both times, the parties patted themselves on the back for their struggle "against the enemies of mankind."

At both times, the "liberators" formed their own army, not to defend the country, but to conquer it.

At both times, "pure elections" were held, such as those held in Nicaragua in 1984.

The document ends by stating that whether cities will be destroyed or not remains to be seen, as it happened in Granada, where the filibusters left a sign reading: "This was Granada."

Concluding, Bolanos said: "The future is not a matter of chance, but of willingness. Because freedom is a cause of God, all of us know that our time will run out. Still, we trust man's higher abilities. We trust his reason and his heart to devise some path to genuinely human, lasting peace. May God permit it!"

CSO: 3248/535



NICARAGUA

PRO-SANDINIST LABOR UNIONS ISSUE DOCUMENT

PA120352 Managua BARRICADA in Spanish 9 Sep 85 p 3

[Document issued after the second meeting of the "Leonel Rugama" Fourth National Assembly of Labor Unions held in Managua from 5 to 8 September]

[Text] We the workers believe that the people's main achievement on 19 July was seizing political power, and that this power guided by the FSLN represents the laborer's and peasant's main interests. It also constitutes an example for all peoples struggling for freedom.

On this basis, and aware of the intensification of the mercenary aggression against all Nicaraguans, we are obliged to defend our power with every sacrifice necessary, by allotting more than 50 percent of the state budget to defense tasks and by increasing efforts to continue playing the role of active rearguard, which guarantees human and material resources for the war fronts.

The interventionist war has considerably worsened the serious economic and social situation we are facing. We the workers see the war not as a strictly military phenomenon, but as a political and social one.

The war has caused us material losses of more than \$1.35 billion, and more than 12,000 military and civilian victims killed, wounded, and kidnapped.

In this struggle, we confirm our Sandinist Armed Forces' military strategy, which has cost the enemy more than 9,400 casualties--2,500 in the first 6 months of 1985--thus deepening our advance toward the strategic defeat of the counter-revolution.

To continue decisively defeating the mercenary enemy and win the war, we the workers must strengthen our awareness and combat readiness. We must continue joining all of the revolution's forms of military and civilian defenses. We acknowledge the patriotic spirit of the youth who are fulfilling the [passage unintelligible] that we are facing, as a result of the world economic crisis and the war of aggression, and our own limitations as a poor and underdeveloped country have limited our material resources.

This difficult situation demands that we strengthen the centralization of the economy and exercise strong discipline to fulfill our jobs and our technical plans through our fulfillment and overfulfillment of these plans. Each work

center defends not only the interests of each farm, but those of the Sandinist people's revolution as well. Due to the existing limitations, we must work even more for the people's and the country's survival. We are also forced to actively seek a real survival policy that will control monetary expenditures, new expenses, and projects, and increase awareness of all levels of the fact that we are a poor country that is under attack.

Furthermore, this situation demands an active effort to rationalize human and material resources. It also demands patriotic awareness, and a great effort by all of the workers.

#### Reinforcement of the Political-Ideological Effort, and Economic Education

The unions must continue to promote among our rank and file a political-ideological effort that will raise their level of knowledge to understand social and economic phenomena.

Likewise, we must continue the economic education campaign through systematic discussion of our problems to contribute to a revolutionary attitude on the part of the workers, especially in the areas of production, regulation, innovation, and emulation.

We will continue this campaign with an explanation of the agreements added by the labor movement during this second meeting.

We must also collaborate so that the newspaper TRABAJADORES will be the ideological and obligatory instrument of the labor movement.

#### Reinforcement of the Labor-Peasant Alliance and the Unity of the Labor Movement

We believe that the laborer-peasant alliance is the basic pillar of the revolution.

To materialize and strengthen this alliance, the labor movement supports the demand for lands for those families and peasant communities that have not yet received the benefits of the agrarian reform law, or a supply of economic resources, encouraging them to produce and facilitate the collection of staple products, thus fighting against speculation. We thus commit ourselves through our work, to guarantee industrial products and with them, to guarantee our cooperation in the defense. We will contribute to the strategic defeat of the imperialist enemy.

We also support steps that will lead to the strengthening of a single labor directorate in an effort to unite the labor movement and strengthen the definite consolidation of the revolutionary process.

In response to this situation, the "Leonel Ruyama" Fourth National Assembly of Labor Unions agrees:

##### I. Defense

Defense is the main complaint of the labor movement, for which we will work in an organized manner by:

- A. Mobilizing the workers on the war fronts, and in the SMP, Patriotic Military Service, and the FRA [expansion unknown].
- B. Ensuring the consolidation of the MPS [Sandinist People's Militias], the reserve units, as well as plans to cover and protect strategic objectives.
- C. Definitely strengthening civil defense and revolutionary vigilance.
- D. Continue attending to the families of the soldiers mobilized

## II. Supply and Price Control

To develop organizational actions to recover the real salary. For this we will form a national commission that will:

- A. Review the decrease and control of prices of basic products, and a substantial decrease in the profits made by marketing and import institutions.
- B. Oversee the proper application of the FST [expansion unknown] MICOIN [Domestic Trade Ministry] agreement to ensure distribution through formal channels, CAT [Workers' Supply Centers], countryside commissaries, work centers, and the territorial networks.
- C. Focus efforts on the elimination of sources that supply the speculative market, and demand that MICOIN and MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform] strictly control distribution, eliminating as much as possible, all intermediaries.
- D. Promote self-supply in the countryside, forcing state and private firms to support this activity.

## III. Products and Salary

- A. To face the present economic crisis, and the effects of the war of aggression, the labor movement, in conjunction with the state, will immediately carry out the following tasks:
  - 1. Review the FMOTS [expansion unknown] to correct errors and contradictions.
  - 2. Develop an aggressive stance, forcing every branch of state and institutions to establish a system of salary incentives that will encourage overfulfillment of individual and collective regulations. To achieve this, the administrative directorate and the workers must come to an agreement with the mediation of the MITRA [Labor Ministry].
  - 3. Make a study and apply a system of simple incentives through disciplinary regulations involving: labor discipline; production and product quality; efficiency, freshness, and economization; rationing of resources; maintenance; and care of equipment and work tools.

4. For this we have named a National Salary Commission.

B. We must strengthen the workers' production; it is necessary to establish the work conditions that will exist under the present circumstances of economic survival. For this we will:

1. Request that the state manufacture simple protection devices (gloves, face masks, aprons, etc).

2. Establish a single administrative directorate to handle occupational hygiene and health.

3. Develop, in conjunction with the state, a single, coherent, and systematic plan of preventive education for workers, etc, with the participation of the labor unions, and with the full support of the INSSBI [Nicaraguan Energy Institute], and SINAFORP [National System for Professional Training].

4. Request that the state assign resources (foreign exchange) for the workers' protective equipment.

5. Request a donation of protective devices from the international labor movement and nongovernment organizations.

#### IV. Regarding Our Efforts

1. We must strengthen the role of workers in the decisionmaking field, in regard to protection and resources, as well as in the management of firms, and implement the agreements that will allow us to face the economic crisis, military aggression, and the weak points of the constitutional and economic efforts, by establishing a specific [word indistinct] that will:

A. Define efforts at the different institutions to guarantee the discussion of the production and services plans at each of the work centers, as well as to control and evaluate the fulfillment of the goals established in the economic plans, and the commitments acquired by the workers regarding these goals.

B. Elevate the workers' participation in the institutional and economic effort to the constitutional level, with the establishment of specific laws.

C. Exert effective vigilance over the proper use and application of bank credits in agricultural and industrial production.

D. We want to participate in the central extraordinary plan to guarantee the harvesting of the agricultural export crops, which includes the recruitment and mobilization of work forces for the harvests, relying strongly on state workers to perfect the supply system that will guarantee the harvesting of the crops, the adequate maintenance of the installations prepared for the harvest, and the assurance that the essential medicine will be available.

3. [Number as published] We must strengthen the innovators movement to ensure the fulfillment of the economic plan at each firm.



4. Avoid volunteer work in those tasks that present great possibilities in the institutions' economic plans. [sentence as published] Our moral commitment is based upon producing at the highest level of efficiency and austerity, making our best effort to strengthen our survival economy.

5. Restore the position of the FSLN, presented at the National Assembly regarding the preparation of Nicaragua's constitution, and the workers' active participation in the different phases of the consultation process carried out by the Constitutional Commission.

We must win the war! We must produce efficiently! We must defend the workers' power!

CSO: 3248/532

END



**END OF**

**FICHE**

**DATE FILMED**

**01 NOV 85**

